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Canada, Coasting Trade, Royal Commission on

ROYAL COMMISSION ON COASTING TRADE

[Exhibits]
v. 4-6

APPENDIX 4

Containing copies of most
of the exhibits filed at
the Ottawa sittings of the
Commission commencing
January 4, 1956.



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200 } loose sheets attached
201 }
204 }

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208	Letter from Hugh John Fleming, the Premier, Fredericton to The Honourable Mr. Justice W.F. Spence, Chairman, The Royal Commission on Canada's Coasting Trade, Ottawa, dated December 12, 1955.	5058	996
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210	Letter from Mr. Yves Poisson, Secretary of the Quebec Board of Trade, and Corrections to be made in the transcript of the French testimony of Mr. Marc Turcotte in Quebec City on September 27, 1955.	5058	1002-
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212	Letter from The Shipping Federation of Canada to the Royal Commission, dated December 30, 1955.	5059	1016
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(ii)

	<u>No.</u>	<u>Description</u>	<u>Transcript</u> <u>page</u>	<u>Appendix</u> <u>page</u>
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27	223	Graph showing clearance of grain out of Lakehead by water navigation season 1955.	5193	Not copied
28				
29	224	Document dated January 3, 1956 and headed Submission by Canada Steamship Lines Limited.	5199	Not copied
30				



(iii)

No.	Description	Transcript	Appendix
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225	Lloyd's Register Shipbuilding Returns dated June, 1955 for the quarter ended June 30th, 1955.	5216	Not copied
226	Lloyd's Register Annual Summary of Merchant Ships launched in the world during the year 1954.	5217	Not copied
227	Table showing Lake Freight rates - Fort William to Montreal.	5247	1054
228	Chart showing monthly totals of shipping losses, British, Allied and Neutral by enemy action and total number of U-boats and Operated U-boats.	5248	1054 A
229	Clipping from "Montreal Gazette" headed "'Seamew' Aircraft Unveiled in U.K."	5248	1055
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231	Letter dated January 3, 1956 from Union Steamships Limited making corrections in their transcript.	5253	1058
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233	Statistical abstract of the United States, 1955.	5332	1074
234	Lake freight rates for wheat - Fort William to Montreal (cents per bushel)	5502	1076

These exhibits are to be photostated and will be forwarded later.



(iv)

1				
2	<u>No.</u>	<u>Description</u>	<u>Transcript</u>	<u>Appen.</u>
3			<u>page</u>	<u>page</u>
4	235	Document headed "Bulk Cargoes		
5		as a percentage of total		
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7		Domestic Waterborne Commerce		
8		of the United States (Selec-		
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11	236	Supplemental brief filed by		
12		The Committee on Newfoundland		
13		Coastal Shipping.	5968	1080
14	237	Memorandum of agreement between		
15		the Longshoremen's Protective		
16		Union and the Newfoundland		
17		Employers' Association		Not
18		Limited; and		copied
19		Statement of Longshore Rates		
20		of wages, effective May 1st,		
21		1955.	5976	1099
22	238	Canadian National Railways		
23		Timetable for Atlantic Region		
24		and Newfoundland District,		
25		dated June 12, 1955.	5977	Not
26				copied
27	239	Regulations governing marine		
28		slip at Selkirk, Manitoba.	5985	Not
29				copied
30				



1 ---Exhibit 207: Extract of a letter from B.F.
2 Clarke - re: Dingwall Shipping
3 Company, Ltd.
4

5 EXHIBIT NO. 207

6 McMICHAEL, COMMON, HOWARD, KER & CATE
7 Advocates, Barristers and Solicitors

8 The Royal Bank Building
9 360 St. James St. W.
10 Montreal 1.

29th December, 1955.

11 G.G. McLeod, Esq.,
12 Secretary,
13 Royal Commission on Coasting Trade,
14 490 Sussex Street,
15 OTTAWA, Ontario.

Dear Mr. McLeod:

16 The information requested by you is set
17 forth below in the form of answers to your ques-
18 tions.

1. Where the company is incorporated
and for what purposes.

19 Dingwall Shipping was incorporated by
20 Letters Patent issued under the Companies Act,
21 1934, of Canada, dated December 19th 1945.

22 The principal object of the Company is the
23 carrying on of the steamship business.

- 24 2. The head office address, and main place
25 of business, if different.

26 The head office and principal place of
27 business of Dingwall Shipping is in the Canadian
28 Pacific Building, 379 Barrington Street, Halifax,
29 Nova Scotia.
30

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EXHIBIT

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O.G. McLeod, Esq.,
Secretary,
Royal Commission on Forests,
400 Queen Street,
Toronto, Ontario.

Dear Sir:

The information
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2 3. The name, title and address of the official
3 authorized to speak for the company and to
4 conduct its business in general.

5 Mr. W.H. Jost, Q.C., Executive Vice-President,
6 Canadian Pacific Building,
7 379 Barrington Street,
8 Halifax, Nova Scotia.

- 9 4. The distribution by country of residence
10 of the holding of voting stock.

11 All of the stock of Dingwall Shipping, with
12 the exception of directors' qualifying shares, is
13 held by Hurley & Co., of New York, U.S.A. for the
14 account of Scandinavian Ore Tankers Inc., whose
15 head office, I understand, is in Sweden.

- 16 5. The connections, if any, with
17 Scandinavian Ore Tankers Inc.

18 This is answered in part by the answer to
19 question 4 above. Moreover, as intimated in
20 your letter, Iron Ore Company of Canada (herein
21 referred to as "Iron Ore") entered into an arrange-
22 ment with Scandinavian Ore Tankers Inc. for the
23 carrying of ore from Seven Islands to Contracoeur,
24 Quebec. This contract covered the movement of
25 about 1,000,000 tons of ore for 1955; 1,000,000
26 to 1,500,000 for 1956; and 900,000 to 1,600,000
27 tons for 1957 to 1961, inclusive. This con-
28 tract contained a provision giving Iron Ore the
29 option to terminate the contract upon the open-
30 ing of the St. Lawrence-Great Lakes Waterway
System. Dingwall Shipping has entered into an
arrangement whereby it will supply the ships to
be used in the carriage of this ore; during the
season of 1955, this ore was carried by the M.S.

1. The first part of the report is a general description of the area and the results of the survey.

2. The second part of the report is a detailed description of the area and the results of the survey.

3. The third part of the report is a detailed description of the area and the results of the survey.

4. The fourth part of the report is a detailed description of the area and the results of the survey.

5. The fifth part of the report is a detailed description of the area and the results of the survey.

6. The sixth part of the report is a detailed description of the area and the results of the survey.

7. The seventh part of the report is a detailed description of the area and the results of the survey.

8. The eighth part of the report is a detailed description of the area and the results of the survey.

9. The ninth part of the report is a detailed description of the area and the results of the survey.

10. The tenth part of the report is a detailed description of the area and the results of the survey.

11. The eleventh part of the report is a detailed description of the area and the results of the survey.

12. The twelfth part of the report is a detailed description of the area and the results of the survey.

13. The thirteenth part of the report is a detailed description of the area and the results of the survey.

14. The fourteenth part of the report is a detailed description of the area and the results of the survey.

15. The fifteenth part of the report is a detailed description of the area and the results of the survey.

16. The sixteenth part of the report is a detailed description of the area and the results of the survey.

17. The seventeenth part of the report is a detailed description of the area and the results of the survey.



1 "WALTON", a Diesel ore carrier, owned by Dingwall
2 Shipping, having a deadweight capacity of 14,500
3 tons, and by a number of other vessels on time
4 charter to Dingwall Shipping. Two new ore
5 carriers are now being constructed for Dingwall
6 Shipping in England, each having a deadweight capa-
7 city of 19,600 tons; they are being constructed
8 in the yards of Sir James Laing & Son, under
9 Construction Nos. 807 and 811. The arrangements
10 were made by Dingwall Shipping through its Presi-
11 dent, Mr. Ole Skaarup.

12 I trust that the foregoing information is
13 sufficient for your requirements; should you need
14 additional information concerning the contract of
15 carriage entered into between Iron Ore Company
16 of Canada and Scandinavian Ore Tankers Inc., I
17 respectfully suggest that this information be
18 obtained by you from Iron Ore.

19
20 Yours very truly,

21 (sgd.) B.F. Clarke
22

23 BFC:C
24 encl.
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1
2 ---Exhibit No. 208: Letter from Hugh John Flemming,
3 the Premier, Fredericton to
4 The Honourable Mr. Justice W.F.
5 Spence, Chairman, The Royal
6 Commission on Canada's Coasting
7 Trade, Ottawa dated December 12,
8 1955.

9
10 EXHIBIT NO. 208

11 THE PREMIER

12 Fredericton

13 December 12th, 1955.

14 The Honourable Mr. Justice W.F. Spence,
15 Chairman,
16 The Royal Commission on Canada's Coasting Trade,
17 OTTAWA, Canada.

18 Dear Sir:

19 It has been brought to my attention that
20 certain statements made by the representative of the
21 Maritime Transportation Commission at your hearing
22 at St. John's, Newfoundland, in June of this year,
23 might be interpreted as implying that the ship-
24 building and repair industry was of little importance
25 to the economy of the Atlantic Provinces. As a
26 consequence, I should like the position of the
27 Government of New Brunswick to be fully understood.

28 The Government supported the general
29 principle of the brief of the Maritime Transportation
30 Commission in that it is opposed to any changes in
shipping regulations which will increase, either



Exhibit 208 - p.2.

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3
4 directly or indirectly, the transportation charges
5 on goods moving between the Atlantic Region and
6 Central Canada. However, it wishes it to be very
7 definitely understood that the Government is naturally
8 concerned about the future of the New Brunswick
9 shipbuilding and repair industry.

10 The Saint John Dry Dock Co. Ltd. and
11 affiliated industries are of the greatest importance
12 to the economy of the City of Saint John, New
13 Brunswick's largest city. Indeed, few groups in
14 the Province employ as large a labour force as do
15 these companies.

16 The Government of New Brunswick feels that
17 everything possible should be done to maintain and
18 expand the shipbuilding and repair industry of the
19 Atlantic Provinces. However, increased trans-
20 portation charges in the last few years have had
21 a most adverse effect on the economy of this region
22 and the assistance given should not be of such a
23 nature as to increase these charges still further.

24
25 Yours sincerely,

26 (sgd.) Hugh John Flemming
27
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1 ----Exhibit 209: Letter from J.A. Wright,
2 Solicitor for the Canadian
3 Pacific Railway Company with
4 a list of errata to be corrected
5 in the transcript.

6 EXHIBIT NO. 209

7 CANADIAN PACIFIC RAILWAY COMPANY

8 Law Department

9 377 Union Station

10 Toronto 1.

11 December 20th, 1955.

12 Our file: 694.

13 G.G. McLeod, Esq.,
14 Secretary,
15 Royal Commission on Coasting Trade,
16 490 Sussex Street,
17 Ottawa, Ont.

18 Dear Sir:

19 Re: Royal Commission on Coasting Trade

20 Enclosed herewith is a list of errata
21 which has been sent to me by Mr. Edsforth.

22 Will you also kindly note that the trans-
23 script from line 27, page 1894, to line 6, page
24 1895, should read as follows:

25 "Emerging Developments in Inter-City

26 "Transportation." I think that article
27 was written about 1945, was it?

28 A. 1945, yes.

29 Dr. Mayer, Dr. Solomon

30 Q. It appears in the Annals of the
American Academy of Political and Social Science,
Volume 240 at 1242. There you say:



1 "The true cost of inland water transporta-
2 "tion can be arrived at only by adding to
3 "the costs to the shipper the cost of
4 "improvement and maintenance of channels".

5
6 Yours truly,

7
8 (sgd.) ????

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E R R A T AROYAL COMMISSION ON COASTING TRADEVolume Page Line

12	3955	21	"have" should read "had".
	3961	23	"than" should read "then".
	3962	4	"tonnage, ocean rates" should read "tonnage and ocean rates".
	3969	14	"also" should read "always"
	3974	8	"selling" should read "ceiling"
	3975	28	"Act" should read "action"
	3975	29	Eliminate the word "the"
	3982	21	"and the Board" should read "and if the Board"
	3990	10	Eliminate the words "we feel"
	4002	10	Eliminate the word "he"
	4002	15	Eliminate the word "it"
	4013	24	"through" should read "though"
	4014	2	"in" should read "on"
	4017	8	"to accentuated" should read "to be accentuated"
	4019	14	"them off" should read "motive power"
	4019	15	"We must" should read "But we must"
	4019	16	"personnel and" should read "personnel to operate them and"
	4020	21	"Yes, when the Seaway is opened" should read "Yes, but not when the Seaway is open"
	4020	22	"reasoning in there" should read "reasoning there"
	4023	2	"the transshipment" should read "the cost of trans-shipment"



1	<u>Volume</u>	<u>Page</u>	<u>Line</u>	
2	12	4023	19	"I think" should read "I do not think"
3		4048	23	Eliminate the words "with a freighter"
4				
5		4048	28	"I think the" should read "I think, the"
6		4049	5	"sea" should read "C"
7		4054	17	Eliminate the words "yard to"
8		4054	18	"catch" should read "have"
9		4057	25	"on" should read "of"
10		4064	19	"right, than" should read "right, other than"
11				
12		4064	20	The words "You say that" should begin a question.
13		4065	23	Eliminate the words "or something"
14				
15		4066	18	"developed" should read "developments"
16		4066	19	"into" should read "in"
17		4066	20	"into" should read in"
18		4067	16 &	
19			17	Eliminate the words "how much of that 13 million"
20		4067	18	"you probably would lose trucks" should read "we probably would lose some to trucks"
21				
22		4067	23	"this" should read "those"
23		4067	24	"Province" should read "Provinces"
24				
25		4081	22	"prior" should read "after"
26		4081	26	"on the" should read "with a"
27		4083	5	"them" should read "handling"
28				-----
29				
30				



1
2 Exhibit 210: Letter from Mr. Yves Poisson,
3 Secretary of the Quebec Board
4 of Trade, and Corrections to
5 be made in the transcript of the
6 French testimony of Mr. Marc
7 Turcotte in Quebec City on
8 September 27, 1955.

9 EXHIBIT NO. 210

10 LA CHAÎBRE DE COMMERCE DE QUEBEC

11 THE QUEBEC BOARD OF TRADE

12 le 23 décembre 1955.

13 Monsieur Paul Cimon, secrétaire adjoint
14 Commission Royale d'Enquête sur le Cabotage
15 490, rue Sussex
16 Ottawa

17 Cher monsieur Cimon,

18 Pour faire suite à votre avis du 9
19 novembre, il me fait plaisir de vous envoyer ci-
20 incluses les corrections que M. Marc Turcotte a
21 jugé à propos d'apporter au compte-rendu sténo-
22 graphié du témoignage qu'il a rendu devant la
23 Commission à sa séance du 22 septembre, à Québec.

24 Bien à vous,

25 (s.) YVES POISSON

26 Yves Poisson
27 Secrétaire-Trésorier

28 YP/lp
29
30



CORRECTIONS AU TEMOIGNAGE DE M. MARC TURCOTTE

27 septembre 1955

Page 2821 Remplacer la deuxième ligne,
deuxième se lisant comme suit:

réponse "sociales de l'Université Laval et
de London School" par la suivante:
"sociales de l'Université Laval et
à la London School"

Page 2832 Remplacer les septième et
huitième lignes, se lisant comme suit:
"voies maritimes extrêmement, très
uniques dans le monde, et aussi à cause
du fait de l'importance de"
par le texte suivant:

"voies maritimes uniques dans le monde,
et à cause du fait de l'importance de "

A la quatorzième ligne, remplacer
"l'importance" par "son importance".

Page 2834 A la vingt-quatrième ligne,
remplacer les mots "économique fixe" par
les mots "économiquement faible".

A la vingt-septième ligne, rem-
placer le mot "fixe" par le mot "faible"

Page 2835 A la quinzième ligne, remplacer
le mot "machinale" par le mot "marginale".

A partir de la vingt-quatrième
ligne, biffer les mots "leur grosseur"
et tout le reste du paragraphe et le
remplacer par le texte suivant:



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"étant donné la structure économique de la région, ceci est très important pour Québec et affecte tous les secteurs de l'économie locale."

Page 2836

A la sixième ligne, remplacer les mots "et j'ai les données" par les mots "je n'ai pas les données".

A la neuvième ligne, remplacer le mot "petit" par le mot "peu".

A la vingt-unième ligne, remplacer le mot "sont" par les mots "ne sont pas".

A la vingt-deuxième ligne, biffer les mots "le régime" et les mots "ce qui veut".

A la vingt-troisième ligne, remplacer les mots "dire que" par "et".

Page 2837

Biffer les mots suivants :
"ils ne seront pas prêts à faire" aux lignes dix-neuf et vingt.

A la vingt-unième ligne, remplacer le mot "augmente" par le mot "augmentera".

Aux lignes vingt-trois et vingt-quatre, biffer les mots "enfin toute la structure économique".

Page 2838

A la sixième ligne, biffer les mots "très bien".

A la neuvième ligne, remplacer le mot "existe" par les mots "n'existe pas".



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Page 2838

A la vingt-unième ligne, remplacer le mot "de" par le mot "et".

Page 2839

A la cinquième ligne, biffer les mots "pas continuellement, si c'est nécessaire"

Page 2873

A la troisième avant-dernière ligne, remplacer le mot "susciter" par le mot "indiquer".

Page 2874

A partir de la ligne quinze, remplacer le reste de la page par le texte suivant:

R Je dis encore dans une certaine proportion, oui. Parce que voici: la situation que vous nous décrivez pour la navigation peut exister généralement dans la construction; il peut arriver une situation d'urgence où la construction de navires destinés au Canada soit affectée par des grèves dans les chantiers maritimes britanniques, ou par une pénurie de pouvoir ou de force motrice.

D Dans un cas comme celui-là, par exemple une pénurie, ou une grève pour une raison ou pour une autre, est-ce qu'il n'y a pas la soupape de sûreté permettant la construction dans d'autres pays?

R Oui, si la situation de nos chantiers permet une reprise immédiate, mais si on laisse aller continuellement le déclin de nos chantiers,



Page 2876

A la septième ligne, remplacer les mots "qu'il y a aussi le fait, pour parler peut-être seulement de navigation côtière et plus spécialement de marine de haute mer" par le mot "que"

A la dixième ligne, biffer les mots "de haute-mer"

Remplacer le bas de la page à partir de la vingt-quatrième ligne par le texte suivant:

"R On s'attend qu'en temps de guerre les Etats-Unis fournissent un effort militaire beaucoup plus considérable que le Canada, étant donné leur position géo-politique. Situés entre deux zones possibles de conflit, il faut qu'ils soient en mesure d'assurer des services militaires des deux côtés à la fois, et il leur faut"

Page 2877

Aux deux, trois et quatrième lignes, remplacer, le texte commençant par: "la part dans l'effort total", par le texte suivant:

"La part de la marine dans l'effort de guerre total du Canada a été, je crois, beaucoup plus faible que la part de la marine américaine a eu dans l'effort de guerre américaine; alors, je trouve tout à "

Remplacer les lignes vingt à vingt-six, par le texte suivant:

"pourrait y avoir d'autres formules, si



1
2 cette assistance est nécessaire et
3 souhaitable; les octrois sont une des
4 formules possibles d'aide ou d'assis-
5 tance à la marine et à la construction
navale"

6 Page 2878

A la deuxième ligne, biffer les
7 mots "je ne vois absolument, personnel-
8 lement"

9 Page 2879

A la quatrième ligne, remplacer
10 les mots "qu'une politique" par le
11 mot "que"

A la cinquième ligne, biffer
12 les mots "de protection"

Biffer les lignes vingt-deux à
14 vingt-six inclusivement, et à la page
15 vingt-sept, les mots "impossible,
16 n'est-ce pas? Alors"

17 Page 2880

Remplacer les lignes deux à six
18 inclusivement par le texte suivant :
19 "augmentation de coût ne se produira
20 pas nécessairement si l'on construit une
21 marine canadienne de cabotage dont les
22 unités seraient affectées à des fins
bien"

23 Remplacer les lignes quatorze et
24 quinze et seize par le texte suivant :
25 "R Le fait de la spécialisation des
26 unités donnerait déjà un avantage assez
27 considérable peut-être dans l'ensemble
du coût"

28 A la fin de la réponse de ligne
29 vingt-trois, biffer les mots "et très
30 probable"



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Page 2881

Remplacer les lignes quatre à dix inclusivement par le texte suivant:
"d'oeuvre augmenterait, ce qui veut dire que le coût pourrait diminuer d'une façon sensible."

A la dix-septième ligne, ajouter le mot "canadienne" après le mot "marine"



Exhibit 211:

Letter from Mr. Yves Poisson,
Secretary of the Quebec Board
of Trade, and corrections to
be made in the transcript of
the French testimony of Mr. Yves
Poisson in Quebec City on
September 27, 1955

EXHIBIT NO. 211

LA CHAMBRE DE COMMERCE DE QUEBEC

le 15 décembre 1955

Monsieur Paul Cimon, secrétaire adjoint,
Commission Royale d'enquête sur le Cabotage
490, rue Sussex
Ottawa.

Cher monsieur Cimon,

Pour faire suite à votre avis du
9 novembre, il me fait plaisir de vous envoyer
ci-incluses les corrections que j'ai jugé à propos
d'apporter au compte rendu sténographié du témoi-
gnage que j'ai rendu devant la Commission lors de sa
séance du 27 septembre à Québec.

Bien à vous,

(signé) YVES POISSON

Yves Poisson,
Secrétaire-Trésorier.

COMMISSION ROYALE D'ENQUETE SUR LE CABOTAGETEMOIGNAGE D'YVES POISSONPAGES 2812 SUIVANTES DU COMPTE RENDU STENOGRAPHIECORRECTIONS

Page 2812

Remplacer les sixième et septième lignes du deuxième paragraphe de la réponse, se lisant comme suit:
"tantes, mais il semble que nos besoins de cale ne peuvent demeurer marqués sur un accord insatisfait"

par: "tantes, mais il semble que nos besoins de cales peuvent demeurer insatisfaits malgré cet accord, les flottes des autres nations devant être occupées avant tout à satisfaire les besoins de leurs pays"

Cinquième avant dernière ligne, au lieu de "il est autant plus" écrire: "il est d'autant plus"

Page 2814

Remplacer le dernier paragraphe se lisant comme suit:
"de plus, le nombre de marins étant plus restreint, les besoins accrus du temps de guerre pourront être beaucoup plus différents, ce qui fait que si l'on maintenant des effectifs plus considérables, et il me semble aussi important d'établir des traditions dans la marine canadienne, et je crois qu'un des seuls"

par: "de plus, le nombre de marins étant plus restreint, les besoins accrus du temps



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Page 2817

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par:

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Page 2819

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de guerre seront plus difficilement satisfaits que si l'on maintenait des effectifs plus considérables. Et il me semble aussi très important d'établir des traditions dans la marine canadienne, et je crois qu'un des seuls"

Remplacer les cinq premières lignes du premier paragraphe de la première réponse, se lisant comme suit: "Je ne suis pas en mesure de répondre d'une façon précise à cette question-là, mais on peut espérer à la page 6 de l'exhibit no. 71, nous voyons une étude, c'est-à-dire une citation d'une étude faite aux Etats-Unis de la réduction possible du coût de"

"Je ne suis pas en mesure de répondre d'une façon précise à cette question-là, mais on peut l'espérer. A la page 6 de l'exhibit no. 71, nous voyons une étude, c'est-à-dire une citation d'une étude faite aux Etats-Unis sur la réduction possible du coût de "

A la douzième ligne du même paragraphe, lire "la tonne de marchandises" au lieu de: "la tonne pour marchandises"

Remplacer les vingt-unième et vingt-deuxième lignes se lisant comme suit: "par une politique d'octrois telle qui, évidemment, constituerait toujours une main-mise de l'Etat sur"



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Page 2819
par:

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"par une politique d'octrois qui,
évidemment, constitue toujours une
main-mise de l'Etat sur"

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Page 2821

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A l'avant-dernière ligne, lire:
"bassin extérieur" au lieu de "bassin
intérieur"

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Page 2827

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par:

Remplacer les cinquième et
sixième lignes, se lisant comme suit:
"ports nationaux. Donc, un navire de
quatre cents (400) tonnes et ils sont
inexistants - je dois ajouter que"
"ports nationaux. En pratique, ces
tarifs sont inexistants dans la zone du
Canal Lachine. Je dois ajouter que"

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Page 2849

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par:

Remplacer les sept premières
lignes de la troisième réponse se lisant
comme suit:
"Bien, oui, je crois que ce sont les 485
qui sont évidemment étrangers. Maintenant,
il y a des dispositions qui ne sont pas
toujours données dans les publications
de statistiques, et sur ce point, juste-
ment, cela, où il est difficile d'éta-
blir d'une façon certaine qu'elle pro-
portion il peut y avoir de navires
étrangers là-dedant; la probabilité"
"Bien, oui, je crois que ce sont les 485
qui sont évidemment étrangers. Mainte-
nant, il y a des informations qui ne sont
pas toujours données dans les publica-
tions de statistiques, et sur ce point,



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Page 2849 justement, il est difficile d'établir
d'une façon certaine quelle proportion
il peut y avoir de navires étrangers
là-dedans. La probabilité"

Page 2862 A la onzième ligne, remplacer
les mots "défini à l'appui"
par: "difficile à déterminer"

Page 2863 A la neuvième ligne, biffer le
mot "un" avant les mots "tel métier"

A la onzième ligne, remplacer
la virgule par un point

A la douzième ligne, biffer les
mots "et c'est possible" et remplacer
le j minuscule par un "J" majuscule

A la fin de la quinzième ligne,
ajouter les mots "ce qui"

Page 2869 Aux septième et huitième lignes,
remplacer les mots "un tiers (1/3)"

par: "trois fois (3)"

Page 2871 A la onzième ligne, biffer le mot
"et"

A la douzième ligne, remplacer
le mot "ils" par le mot "qui"

Remplacer les dix-huitième, dix-
neuvième et vingtième lignes, se lisant
comme suit:

"cargaison complète, que ces bateaux-là,
une fois chargés, on prend n'importe quel
port et puis le plus près du but est le
mieux, pour faire le moins de chemin"

par: "cargaison complète. Ces bateaux-là,
une fois chargés, choisissent n'importe



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Page 2871

quel port. Le plus près du but est le mieux, pour faire le moins de chemin"

Remplacer les deux dernières lignes de la page, par le texte suivant:
"Je veux dire de retour, amener le cargo, il n'est pas destiné à Sept-Iles,"

par: "Je veux dire, amener le cargo vers Sept-Iles, où il n'y en a guère de destiné"

(Page 1016 follows)



1
2 ---Exhibit No. 212: Letter from The Shipping
3 Federation of Canada to the
4 Royal Commission, dated
5 December 30, 1955.

6 EXHIBIT NO. 212

7
8 THE SHIPPING FEDERATION
9 OF CANADA

10 515 Board of Trade Bldg.
11 Montreal 1

12 December 30, 1955.

13 File: LS.17 - 11A

14 G. G. McLeod, Esq.,
15 Secretary,
16 Royal Commission on Coasting Trade,
17 490 Sussex Street,
18 Ottawa, Ontario.

19 Dear Mr. McLeod:

20 I beg to refer to your circular letter,
21 dated November 8th, advising that anyone wishing
22 to make corrections of the transcript record of
23 his evidence at a previous Hearing of the Commission,
24 could do so by writing to you before the opening of
25 the final public Hearings in Ottawa, starting
26 January 4th.

27 In this connection, I attach four copies
28 of a memorandum outlining corrections which we
29 consider should be made to the transcript of
30 evidence given by Mr. J. P. Boyle, President of
the Federation, at the Hearings held in Montreal
on October 11th, 1955.



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Exhibit 212 - p.2.

Wishing you the Compliments of the
Season, I am

Yours very truly,
(sgd.) C. T. Mearns
Secretary.

encl.



Exhibit 212 - p.3.

ROYAL COMMISSION ON COASTING TRADE

Corrections to be made to the Transcript of Evidence
given by the Federation at the Hearings held in
Montreal on October 11, 1955.

Page 3741

The first twelve lines should read as follows:-

"Argonaut Navigation Co. Ltd. are steamship
owners, as are Andros Shipping Company, Kingsport
Shipping and Fjell Line. Canadian Import Company are
simply agents. Canadian National (West Indies) are
owners. Canadian Pacific are owners. County Line
Ltd. are owners. Cunard Steam-Ship represents Blue
Funnel. These are all owners - Cunard Donaldson
Dominion Line, Cunard Steam-Ship Co. Ltd., Donaldson
Line Ltd., Elder Dempster Lines Ltd., International
Freighting Corp., Java-New York Line and Watts,
Watts & Co. Ltd."

Page 3745

The answer to the second question on this
page should read as follows:-

"Dominion Coal Co., Federal Commerce &
Navigation Co. Ltd. - Well, no, Federal Commerce,
I would say, are mostly, say deep-sea. Furness
Warren Line, they run between Halifax and St.
John's, Nfld. in conjunction with their Boston-



Exhibit 212 - p.4.

Liverpool service. Hudson Bay Co., - up to the far North."

Page 3746

The first answer on this page should read as follows:-

"Commissioner Wickwire: Furness Red Cross?

A. It's from Halifax and Saint John, N.B., I believe. They operate between New York, Saint John, Halifax and St. John's, Nfld., and sometimes Cornerbrook."

Page 3747

The second paragraph should read as follows:-

"There is another Line, Furness, running from New York to St. John's, Nfld, and Cornerbrook via Saint John, N.B. and Halifax.

Q. Is this Furness?

A. Yes, Furness, Withy & Co. Ltd.

Q. But which Line?

A. That would be Furness Red Cross."

Page 3750

First paragraph should read as follows:-

A. Very few of them. The Canadian National have done it on certain occasions. They might take an odd cargo of gypsum rock to Montreal. Perhaps a cargo of pulp from Halifax to Dalhousie, or they might take cargo from Halifax to St. John's, Nfld.



Exhibit 212 - p.5.

Other Lines like Saguenay Terminals call for fluorspar at St. Lawrence, Newfoundland to Arvida, but the larger companies like Dominion Coal Company are exclusively in their particular trade.

The last paragraph should be amended as follows:-

A. Very very few. On the American side there are a few. That is international trade. Of the ships going into the Lakes, there are very few of British registry. I think there are only two or three Lines running into the Lakes that are of British registry - as these ships are generally down to fourteen feet, they could not take such cargo. If they wanted to take it, they could not, because of the Transport Act. They have no license.

Page 3751

The third paragraph should read as follows:-

A. No, I think the greater proportion are of British registry - a few of them, however, are of Foreign registry.

Q. Most of them would be Foreign?

A. Oh, no, I would say that more than 50% would be of British registry, all Furness, Withy ships are of British registry.



Exhibit 212 - p.6.

Page 3752

Last sentence of first paragraph should read as follows:-

"In any event, they would not be able to do so, because it would be a violation of the Transport Act, unless they secure a license."

Page 3758

Starting with the first sentence, should read as follows:-

Most of the ships taking full grain cargoes out of Montreal are foreigners. There are no records here at all. Quite a few tramps coming here are British tramps registered in the United Kingdom. We, on this side of the water, have no figures whatsoever unless we could get some Canadians, but most of the Canadian vessels are gone now. We used to have quite a few Canadian-registered vessels which loaded full cargoes of grain, but they have all been transferred to British or foreign flag.

The third paragraph should read as follows:-

A. Well, the Federation could ask them. People like Dalglish and Ropners. Some of the Northeast Coast tramps might be helpful. We could write them and ask them if they could give us information.



1
2 Exhibit 212 - p.7.

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4 The last paragraph should read as follows:-

5 A. That is why I say we will have to ask
6 the various foreign steamship companies if they
7 would furnish the information to us. There are a
8 number of those of Panamanian or Liberian registry.

9 Page 3759

10 Second paragraph should read as follows:-

11 A. Well, there are not so many of those
12 coming here. It is mostly the American Liberty-type
13 carrying grain now. The others are taking coal
14 out of Hampton Roads. We would do our very best to
15 get the information for you.

16 Page 3764

17 Last paragraph should read as follows:-

18 A. There is a possibility. It depends on
19 economics. If the grain rates on the ocean are high,
20 I do not think you will see any ocean vessels going
21 past Montreal, because it would be cheaper for
22 them to load here and get back over to the United
23 Kingdom or the Continent with a load.

24 Page 3768

25 Third paragraph should read as follows:-

26 A. Oh, no, I am saying that apart from
27 the list of members we have here, we also have
28 tramp ships entered in the Federation. They are
29
30



Exhibit 212 - p.8.

tramp ships of all nationalities. I would say that about 90% of the tramps that come to Montreal are entered in the Federation on what we call a tramp or transient basis. They pay a very small fee of \$25.00.

Page 3769

The second and third sentence should read as follows:-

"Therefore, if we are going to try to compete with the big 21,000 tonners, we will carry 8,000 tons of cargo as compared with 21,000 tons of cargo. Also compare the time; ocean vessels are awkward and bulky.

Third paragraph should read as follows:-

A. The only difficulty there is that I do not think they will bring in such a ship, because they would then become captive ships. If you are going to build special-type ships for the St. Lawrence Seaway, then you have to compete with the special type of ships that are presently used by the various Lake companies.

Page 3770

The fourth paragraph should read as follows:-

A. No, I do not think we will have lower operating costs, because if we are going to keep



1
2 Exhibit 212 - p.9.

3
4 that type of ship in the trade between, say, the
5 Lower St. Lawrence and the Great Lakes, we may be
6 forced to employ Canadian crews.

7 The second to last paragraph should read as
8 follows:-

9 A. Well, it ended with several crews being
10 jailed and then flown back home and new crews
11 brought out.

12 Page 3771

13 The fifth paragraph should read as follows:-

14 A. Six pounds a month more over the season.

15 Page 3775

16 Tenth paragraph should read as follows:-

17 A. Oh, no, no. We represent owners all
18 over the world.

19 Page 3782

20 Second paragraph should read as follows:-

21 A. I was wondering if you were referring
22 to the international trade, because most of the
23 exports that go out of Canada to the United States
24 constitute international trade.

25 Page 3784

26 Second paragraph should read as follows:-

27 A. Well, there were once 200 or 300
28 Canadian-built ships, and none of them are here
29 now.
30



GENERAL COUNCIL OF BRITISH SHIPPING

3 - 6 Bury Court, St. Mary Ave,
London, E.C.3.

22/5A/MW.

23rd December, 1955.

AIR MAIL

G. G. McLeod Esq.,
Secretary,
Royal Commission on Canadian Coasting Trade,
490 Sussex Street,
OTTAWA, Ont.
Canada.

Dear Sir,

With further reference to your letter of 29th November, it is hoped that the following replies to the questions you raised will be helpful to the Commission. They are based largely on the opinions of representative members of the General Council who have first-hand experience of trading on the Canadian coast or in the carriage of bulk cargoes generally.

The opening of the Seaway will, of course, alter a lot of things and in many respects, as the General Council ventured to submit in its original memorandum represented to the Commission, the developments can only be a matter of conjecture. It is difficult to say now in any precise manner what British owners may find it practicable to do in assisting the development of the Canadian trades which will follow the completion of the project. The General Council has, however, done its best in the following observations to deal with the



1 specific questions to which you seek answers.

2
3 Firstly, you ask whether U.K. owners might
4 find attractive investment in large laker type
5 vessels for service solely within the Great Lakes
6 and St. Lawrence River. According to our advices
7 there is no present indication that this would be
8 so. The fact that the opening of the Seaway will
9 extend the scope of the "large laker trade" would
10 not, so far as the General Council can assess the
11 position, alter its essential character and there
12 does not seem to be any special reason why U.K.
13 owners who do not engage in this trade at the
14 moment should be more attracted to do so in the
15 future. Assuming, however, that the U.K. owner
16 were to engage in this trade, the General Council
17 appreciates that there is the theoretical possibility
18 that he would have an advantage over his local com-
19 petitor in the matter of lower wage scales, but in
20 its view it is highly problematical whether in the
21 final result this would in fact be of much account.
22 As you know, a bonus is already paid to U.K. crews
23 in the Canadian coastal trade. Added to this would
24 be the periodical cost of transporting the crews
25 to and from Canada - approximately £160 and £190 per
26 man for the round trip by sea and air respectively -
27 and local administration costs. His other running
28 costs such as repairs, dry docking, insurance,
29 depreciation, etc., would be on the same scale as
30 those of his local counterpart. It does seem



1 therefore that even in the unlikely event of a U.K.
2 owner engaging in this trade, the gap between his
3 running costs and those of a Canadian owner would
4 be very small, if indeed there would be one at all.

5 Turning now to your second question, it
6 certainly does seem likely that as it is anticipated
7 that the main cargoes moving through the Seaway will
8 be iron ore and grain, there will be a demand for
9 dry cargo bulk carriers. Whether this demand will
10 be for large bulk carriers, only suitable for
11 operation within the Lakes and St. Lawrence River
12 System, or for bulk carriers also suitable for deep
13 sea trading, it is difficult to say. If the former,
14 then for the considerations already outlined in reply
15 to your first question, it seems that U.K. owners
16 are unlikely to be attracted. On the other hand,
17 there does seem to be scope for the ocean carrier
18 which could, for example, work its way to the head of the
19 lakes by taking in iron ore from Seven Islands,
20 pick up a grain cargo and then transport the latter
21 cargo direct to its final port of destination
22 without transshipment in the St. Lawrence. The
23 draught limitations of the Seaway will, however,
24 place a very definite restriction on the size of
25 such ships in comparison with the regular Lake
26 carriers for the reasons which follow. The General
27 Council has no precise information on the effect of
28 this limitation on a combined ore/grain ocean-going
29 carrier comparable in size to the present "large
30



1 lakers" but the following does illustrate the
2 point:-

3 An ocean-going ore carrier/tanker presently
4 under construction in the U.K. has a deadweight
5 capacity of 19,000 on a load draught of 31.7'. With
6 a fresh water draught of 25' the deadweight would be
7 reduced to about 13,000. Similarly, with another
8 ship of this type actually in commission the dead-
9 weight would be reduced from 21,400 to 14,000. By
10 comparison the General Council has figures of two
11 Great Lakes ore/grain carriers, one with a deadweight
12 capacity of 19,000 on a 24' fresh water draught and
13 the other of 25,000 on a 25' draught. For nearly
14 half the year, therefore, the ocean-going ships of
15 the size mentioned would not only be carrying only
16 two-thirds of their maximum pay-load, but also
17 greatly reduced cargoes in relation to those of the
18 competing Lake carriers of similar deadweight
19 capacity. These disadvantages are considerable.

20 These figures, which also suggest that, in
21 the context of the St. Lawrence Seaway project there
22 is little scope for the combined ore/grain/oil
23 carrier, lead one to the conclusion that the type of
24 bulk carrier likely to attract U.K. owners is a
25 dry cargo one of moderate size which, while unable
26 to compete with the large lakers in their
27 specialized trades, could nevertheless provide a
28 valuable adjunct to the movement of iron ore and
29
30



1 grain although on a different pattern from that of
2 the large lakers.
3

4 As for the ocean trades in which such a ship
5 might find other employment, it is not possible to
6 be specific. The whole basis of the employment
7 of tramp ships, which these would be, is that they
8 follow cargo wherever it is offering, whether it be
9 seasonal, occasional or for a fixed period of time,
10 e.g. in present circumstances, such a ship might well
11 at the end of a Canadian season engage in the North
12 Atlantic/Europe coal trade, but it could be that in
13 a few years' time the latter trade will fall away,
14 in which case other employment would be sought.

15 The General Council finds it difficult to
16 estimate the eventual demand for this type of tonnage.
17 If it does prove to be attractive to both the
18 shipper and the shipowner, the numbers would be
19 expected to increase. It should be borne in mind,
20 however, that as these ships will seek employment
21 elsewhere during the closed season, the extent
22 to which their numbers do increase will also be
23 governed by world demand for this type of tonnage.

24 It is hoped that these observations will be
25 of assistance to the Commission.

26 Yours faithfully,

27 (Signed) H. E. Gorick

28
29 Joint Secretary.
30



1 ---Exhibit 214: Letter from Mr. S.G. Dixon on
2 behalf of the Shipbuilding Con-
3 ference of U.K. giving answers
4 to questions on future size
5 and type of lake vessels.

6 EXHIBIT NO. 214

7 Re: Answers to questions on future size and
8 type of Lake vessels.

9 DIXON, SENEAL, TURNBULL, MITCHELL & STAIRS

10 Barristers & Solicitors

11 901 Victoria Square,
12 Montreal 1,

13 27th December, 1955.

14 G.G. McLeod, Esq.,
15 Secretary,
16 Royal Commission on Coasting Trade,
17 490 Sussex Street,
18 Ottawa.

19 Dear Mr. McLeod,

20 I am now in a position to give you what I
21 hope will be satisfactory answers to the questions
22 contained in your letter of the 21st November.

23 Question 1.

24 The grounds for anticipating the develop-
25 ment of a demand for such specially designed bulk
26 carriers. Has the Conference or any member or
27 'expert adviser' discussed the proposition with
28 a potential or prospective customer, on either
29 a firm or a tentative or casual basis.

30 Answer 1.

This question is, at least in part, based
on two paragraphs included in the brief of The



1 Shipbuilding Conference (Brief No. 25) and which
2 you quote in your letter under reply.

3 These paragraphs were included in the
4 brief as a result of preliminary exchanges of views
5 between British shipbuilders and Canadian and
6 other shipowning interests on the long term poten-
7 tialities for extending trade afforded by the open-
8 ing of the seaway. These developments could
9 give rise to the demand for the building of new
10 tonnage of specialized types, but up to the present
11 such ideas have been discussed only in the most
12 tentative way and no precise designs have been
13 developed.
14 question 2.

15 Would the vessels here envisaged be of one
16 or more of the following types and what type:

17 (a) Essentially an ocean vessel, modi-
18 fied to permit efficient use on the seaway
19 as and when required; say a vessel more or
20 less similar to existing non-specialized
21 ocean carriers suitable for bulk trades,
22 but perhaps modified to give greater dead-
23 weight capacity at seaway drafts and per-
24 haps with hatches designed for speedier
25 unloading, etc.

26 (b) A compromise between ocean and
27 laker design, intended for use in fresh
28 or salt water as might be dictated by
29 the season or by earnings prospects, and
30 being



- 1 (i) usable as either a tanker or a dry
2 cargo carrier, or
3 (ii) a dry cargo carrier exclusively.

4 Answer 2.

5 There has also been some tentative thought
6 about the possibility of adapting ocean-going
7 ships designed for bulk cargoes or, alternatively,
8 as oil tankers, for service in the Great Lakes
9 through the Seaway during the open season.

10 In all this, however, a major restriction
11 affecting these proposals is the limited draft
12 which would be available in the Seaway channels,
13 namely, about 25 feet fresh water, although the
14 depth of the water at the sills in the locks will
15 be 30 feet. This must severely limit the dead-
16 weight which such specially designed ocean-going
17 ships could carry through the Seaway and impose
18 a serious handicap on them in relation to the
19 large Upper Lakers and might well offset possible
20 advantages of operating at their full deep sea
21 deadweight during the winter months.

22 Questions 3, 4 and 5.

23 In the light of the replies given to
24 questions 1 and 2, I think it will be appre-
25 ciated that no useful answers to questions 3,
26 4 and 5 can be given at the present stage.
27 Question 6.

28 What would be the approximate cost of
29 constructing a large upper laker similar to the
30 T.R. McLagan or the Scott Misner? What would



1 be the cost of delivery and final assembly (if
2 necessary) at a Canadian port, and would this be
3 included? What would be the margin of error in
4 this approximation?

5 Answer 6.

6 It is clear that here again any reply can
7 only be of an approximate nature in the absence
8 of full technical information and specifications.
9 Two firms, however, on behalf of The Shipbuilding
10 Conference, have given the matter as close con-
11 sideration as possible and have estimated the
12 present day cost for a ship similar to the Scott
13 Misener. These estimates are from £1,420,000
14 to £1,530,000 but it is not possible to indicate
15 the margin of error in these figures.

16 Again on the basis of an approximation,
17 it is thought that the additional cost for delivery
18 at a Canadian port, including any stiffening
19 required for the voyage across the Atlantic, would
20 be of the order of £75,000 to £85,000.

21 I trust that the foregoing replies will be
22 of value to the Commission.

23 I am sending you three additional copies
24 of this letter in case they may be useful for
25 the Commissioners.

26 Yours faithfully,

27 (sgd.) S.G. Dixon
28 -----
29
30

EXHIBIT NO. 216
SUPPLEMENTARY INFORMATION REGARDING THE WATERBORNE TRADE
OF NEWFOUNDLAND

TABLE I
CARGOES LOADED AND UNLOADED AT NEWFOUNDLAND PORTS IN
COASTING AND FOREIGN SERVICE

<u>Calendar Years</u>	<u>Cargoes Loaded</u>		<u>Cargoes Unloaded</u>	
	<u>Coasting</u>	<u>Tons</u>	<u>Coasting</u>	<u>Tons</u>
1950		985,483		451,860
1951		1,883,325		402,427
1952	853,121	2,069,750	1,332,026	698,138
1953	1,123,185	2,742,764	1,315,217	671,606
1954	862,377	2,702,943	1,314,496	790,442

x 1952 is the first year for which cargoes carried in the
coasting trade are available.

SOURCE: D.B.S., SHIPPING REPORT



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TABLE II

SEABORNE TRADE OF NFLD.

AS A PERCENTAGE OF CANADIAN

SEABORNE TRADE, 1954.

<u>Foreign</u>	<u>Canada</u> <u>tons</u>	<u>Nfld.</u> <u>tons</u>	<u>Nfld. as a</u> <u>% of Canadian</u> <u>%</u>
Cargoes Loaded	30,730,355	2,702,943	8.8
" Unloaded	<u>32,274,166</u>	<u>790,442</u>	2.4
Foreign total	63,004,521	3,493,385	5.5
<u>Coasting:</u>			
Cargoes Loaded	25,796,418	362,377	1.4
" Unloaded	<u>29,913,637</u>	<u>1,314,496</u>	4.4
Coasting total	55,710,055	2,176,873	3.9
Total Seaborne Trade	<u>118,714,576</u>	<u>5,670,258</u>	4.8

SOURCE: D.B.S. SHIPPING REPORT, 1954

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TABLE III
CARGOES LOADED & UNLOADED IN NEWFOUNDLAND PORTS
IN COASTING & FOREIGN SERVICE, 1954

	LOADED				UNLOADED			
	Coasting		Foreign		Coasting		Foreign	
	Tons	% of Total	Tons	% of Total	Tons	% of Total	Tons	% of Total
Agricultural & food products	620	.1%	615	- %	10,216	.8%	1,753	.2%
Fishery products	29,144	3.4	38,891	1.4	15,678	1.2	649	.1
Mine products	658,133	76.3	1,906,468	70.5	150,977	11.5	177,345	22.4
Forest products	10,989	1.3	731,178	27.1	242,117	18.4	1,197	.2
Iron and steel products	769	.1	1,091	.1	4,189	.3	2,135	.3
Oils & Oil products	22,861	2.7	-	-	420,050	32.0	514,737	65.1
Other	139,861	16.1	24,700	.9	471,269	35.8	92,626	11.7
TOTAL	862,377	100.0%	2,702,943	100.0	1,314,496	100.0	790,442	100.0

SOURCE: D.B.S. Shipping Report, Year ended December 31st, 1954, Section II, pp. 99-101, and Section III, pp. 140-144.

TABLE IVCARGOES LOADED IN NEWFOUNDLAND PORTS
IN COASTING AND FOREIGN SERVICE,
BY COMMODITIES, 1954.

	<u>Coasting</u>	<u>Foreign</u>
	<u>Tons</u>	
General	118,310	17,786
Flour-grain	133	-
Other fruit, fresh	50	555
Fruit, dried	-	-
Hay and Straw	210	-
Dressed meats, cured, salted	80	3
Eggs, butter, cheese, milk products	46	4
Coal, bituminous	933	-
Iron Ore	590,329	1,742,925
Copper ore and concentrates	-	14,511
Lead and zinc ore	-	89,172
Gypsum	1,343	-
Salt	8,317	-
Sand, gravel, crushed stone	50	-
Other mine products	57,161	59,860
Logs, posts, poles	270	28
Pulpwood, pulpwood chips	-	153,552
Lumber, timber box, crate & coopage material	998	186
Fish oils	1,964	1,734
Beverages	101	-
Fish, fresh, frozen, cured	27,180	37,157
Newsprint, paper	-	511,722
Paper, other	-	5,070



1			
2	Paperboard, pulpboard	9,680	-
3	Woodpulp, pulp and screenings	-	60,620
4	Other manufactured products (wood)	41	-
5	Iron, pig, bloom	40	-
6	Scrapiron and steel	596	1,024
7	Castings and Machinery	107	65
8	Brick	31	-
9	Cement	16,782	4,295
10	Sewer pipe, drain tile	125	-
11	Gasoline	3,293	-
12	Petroleum oils and other petroleum products	19,568	-
13	Fertilizers, all kinds	3,299	2,560
14	Autos, trucks, parts	26	2
15	Containers, empty, wood and metal	1,135	14
17	All other freight, n.o.s.	<u>179</u>	<u>45</u>
18	TOTAL	<u>862,377</u>	<u>2,702,943</u>
19			

SOURCE: D.B.S. Shipping Report, Year Ended
December 31st, 1954, Section II, pp.
99-101 and Section III, pp. 140-144

TABLE V

CARGOES UNLOADED IN NEWFOUNDLAND PORTS
IN COASTING AND FOREIGN SERVICE,
BY COMMODITIES, 1954.

	<u>Coasting</u>	<u>Foreign</u>
	<u>Tons</u>	<u>Tons</u>
General	459,957	79,399
Flour-grain	6,480	-
Other Mill Products	396	-
Other fruit, fresh	24	125
Potatoes	561	-
Other vegetables, fresh	1,168	22
Hay and Straw	407	-
Other live animals	80	-
Dressed meats, cured, salted	-	280
Eggs, butter, cheese, milk products	39	-
Skins, raw or undressed	425	-
Coal, anthracite	-	8,990
Coal, bituminous	146,146	92,738
Asphalt	-	15,645
Salt	2,572	41,220
Sulphur	-	18,752
Other non-metallic mineral products	190	-
Limestone	468	-
Sand, gravel, crushed stone	1,601	-
Logs, posts, poles and pitprops	1,680	1,016
Firewood, bogged fuel	60	-
Pulpwood, pulpwood chips	222,430	-
Lumber, timber, box, crate	13,990	119



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2	Fish oils	243	-
3	Beverages	503	115
4	Fish, fresh, frozen, cured	15,435	649
5	Molasses	-	581
6	Sugar, raw, refined	118	184
7	Canned goods, food products	15	447
8	Paper, other	2,424	1
9	Paperboards, pulpboard	272	-
10	Other manufactured wood products	1,261	61
11	Iron and Steel (bar, sheet, etc.)	1,349	1,212
12	Rails and fastenings	2,415	28
13	Castings and machinery	201	76
14	Other iron and steel products (manufactured)	29	567
15	Brick	16	117
16	Cement	1,019	8,530
17	Sewer pipe, drain tile	26	-
18	Gasoline	73,839	165,942
19	Petroleum oils, and other petroleum products	346,060	347,205
20	Pitch, tar, creosote	151	1,590
21	Fertilisers, all kinds	1,914	-
22	Autos, trucks, parts	195	252
23	Containers, empty, wood and metal	1,140	1,870
24			
25	All other freight, n.o.s.	<u>7,197</u>	<u>2,710</u>
26	TOTAL	<u>1,314,496</u>	<u>790,442</u>
27			



SOURCE: D.B.S. Shipping Report, Year Ended December 31st, 1954, Section II, pp. 99-101, and Section III, pp. 140-144

DOMESTIC WATERBORNE COMMERCEOF THE UNITED STATES

1924 - 53

Thousands of Tons

1924	352,139
5	374,854
6	409,207
7	411,977
8	412,432
9	456,290
30	406,170
1	356,122
2	272,060
3	324,637
4	336,410
5	371,692
6	435,595
7	468,687
8	361,718
9	456,733
40	496,646
1	532,948
2	490,679
3	453,296
4	452,192
5	446,812
6	468,155
7	578,561
8	630,229
9	575,363
50	651,359
1	692,072
2	660,396
3	706,151

Source: Historical Statistics of the United States,
1789 - 1945 Statistical Abstract of the
United States, 1955.



EXHIBIT NO. 218

CANADIAN SHIPBUILDING AND SHIP REPAIRING ASSOCIATION
SHIPBUILDING IN CANADA - NEW CONSTRUCTION ON ORDER

as of December 1st, 1955.

COMMEMORIAL

<u>Shipyard</u>	<u>Type and No. of Vessels</u>	<u>Order Placed</u>	<u>Owner</u>	<u>Approx. Tonnage</u>
<u>Pacific Coast</u>				
Yarrows Ltd.	Hog Fuel Barge (1) Hog Fuel Barge (4)	4th quarter/55 4th quarter/55	Black Ball Towing Vancouver Tug Boat	502 g.t. 582 g.t.ea.
Victoria Machinery Depot	Combination Dry and Liquid Cargo Barge (1)	4th quarter/55	B.C. Packers Ltd.	1,005 g.t.
Burrard Dry Dock Co.	Steel Paper Scow (2)	4th quarter/55	Vancouver Tug Boat	1,000 g.t.ea.

(cont'd)



C O M M E R C I A L (cont'd)

<u>Shipyard</u>	<u>Type and No. of Vessels</u>	<u>Order Placed</u>	<u>Owner</u>	<u>Approx. Tonnage</u>
<u>Great Lakes</u>				
Collingwood Shipyards Ltd.	Ocean-going Motor Cargo Vessel (1)	4th quarter/55	Montship Lines Ltd.	2,100 long tons d.w.t.
	Diesel Bulk Freight Canaller (2)	3rd quarter/55	N.M. Paterson & Sons	3,872 d.w.t. each
Port Weller Dry Dock	Bulk Canal Vessel (1)	1st quarter/55	Beaconsfield S.S.	2,000 g.t.
	300 Cu.Yd. Dump Scow (3)	4th quarter/55	McNamara Construction	-
Kingston Shipyards	28' Hydrographic Landing Barge (Aluminum) (2)	4th quarter/55	for Hydrographic Survey Vessel - building at Canadian Vickers	-
<u>St. Lawrence</u>				
Davie Shipbuilding Ltd.	Tug (1)	4th quarter/55	Davie Shipbuilding	225 g.t.
	Canaller (1)	4th quarter/55	Canada Steamship Lines Ltd.	3,875 d.w.t.

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CANADIAN SHIPBUILDING AND SHIP REPAIRING ASSOCIATION
SHIPBUILDING IN CANADA - NEW CONSTRUCTION ON ORDER

as Of December 1st, 1955

G O V E R N M E N T (INCLUDING N A V A L)

<u>Shipyard</u>	<u>Type and No. of Vessels</u>	<u>Order Placed</u>	<u>Owner</u>	<u>Approx. Tonnage</u>
<u>Pacific Coast</u>				
Yarrows Ltd.	Destroyer Escort (1)	June/51	Royal Canadian Navy	Secret
	M.C.B. Minesweeper (1)	January/54	" "	Secret
	Ammunition Lighter (1)	Sept./53	" "	Secret
	92' R.C.M.P. Patrol Vessel	March/54	Royal Canadian Mounted Police	Secret
Victoria Machinery Depot	Destroyer Escort (1)	June/51	Royal Canadian Navy	Secret
	M.C.B. Minesweeper (1)	January /54	" "	Secret
	Water Barge (1)	Dec./52	" "	Secret
Burrard Dry Dock Co. Ltd.	Destroyer Escort (3)	May/50; Nov./50	" "	Secret
	Crane Lighter (2)	June/51	" "	Secret
	Lighthouse Tender (1)	June/51; Nov./52	" "	Secret
		4th quarter/54	Dept. of Transport	500 g.t.

(cont'd)



<u>Shipyard</u>	<u>Type and No. of Vessels</u>	<u>Order Placed</u>	<u>Owner</u>	<u>Approx. Tonnage</u>
<u>Great Lakes</u>				
Port Arthur Ship- building	M.C.B. Minesweeper (1)	January/54	Royal Canadian Navy	Secret
<u>St. Lawrence</u>				
Canadian Vickers	Destroyer Escort (2)	Nov./50; June/51	Royal Canadian Navy	Secret
	Hydrographic Vessel (1)	Aug./54	Dept. of Mines and Technical Surveys	3,466 g.t.
Davie Shipbuilding Co.	Destroyer Escort (1)	June/51	Royal Canadian Navy	Secret
	M.C.B. Minesweeper (1)	Sept./53	" "	Secret
	Lighthouse & Buoy Tender (1)	June/55	Dept. of Transport	1,000 disp.T.
	Icebreaker (1)	Oct./55	Dept. of Transport	2,900 disp.T.
Geo. T. Davie & Sons Ltd.	Tug (1)	Nov./52	Royal Canadian Navy	Secret
	M.C.B. Minesweeper Lightship (1)	Jan./54	" "	Secret
	Patrol Vessel (1)	May/55	Dept. of Transport	525 g.t.
		3rd quarter/55	Royal Canadian Mounted Police	680 g.t.

(cont'd)



<u>Shipyard</u>	<u>Type and No. of Vessels</u>	<u>Order Placed</u>	<u>Owner</u>	<u>Approx. Tonnage</u>
<u>St. Lawrence</u>				
Marine Industries	Destroyer Escort (2) M.C.B. Minesweeper (1) Ammunition Lighter (2)	Nov./50; June/51 Jan./54 Sept./53 Sept./53	Royal Canadian Navy " " " " " "	Secret Secret Secret Secret
<u>Atlantic Coast</u>				
Saint John Dry Dock	Norton Class Tug (2) Crane Lighter (1)	June/51; June/51 June/51	Royal Canadian Navy " "	Secret Secret
Halifax Shipyards Ltd.	Destroyer Escort (3)	May/50; Nov./50; June/51	" " " "	Secret
Ferguson Industries Ltd.	Power Barge (1) Crane Lighter (1)	March/55 Nov./52	" " " "	Secret Secret
	Wood Island Caribou Ferry	April/55	Dept. of Transport	1,000 g.t.

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2 ---Exhibit No. 219: Letter from Geo. B. Bailey,
3 Atlantic Shipbuilding Co. Ltd.,
4 The Docks, Newport, Mon., -
5 re New Ship Delivery Dates.

6 EXHIBIT NO. 219

7
8 ATLANTIC SHIPBUILDING CO. LTD.

9 The Docks
10 Newport
11 Mon.

12 Dear Sirs,

13 New Ship Delivery Dates

14 Our modern building methods allow us to
15 offer the following delivery dates:-

16 Cargo and Passenger Ships up to 17 6,000 tons dead-weight	15 months
18 Fish Factory Vessels	15 months
19 Modern Diesel Coasting Vessels	12 months
20 All types of Diesel Tugs and 21 Trawlers	10 months

22 We would welcome your Representatives to
23 our Yard, where we could discuss details of design
24 to suit your personal requirements.

25 Enquiries would receive our immediate
26 attention.

27 Yours faithfully,

28 (sgd.) Geo. B. Bailey
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2 ---Exhibit No. 220: Department of Transport Press
3 Release No. 462, for immediate
4 release, November 12, 1953.

5 EXHIBIT NO. 220

6
7 OTTAWA -- Announcement is made today by the
8 Honourable Lionel Chevrier, Minister of Transport, on
9 the problem of assistance to shipping. The govern-
10 ment has had under consideration representations
11 made by the Canadian Shipowners Association as to
12 future policy for their industry.

13 It has been decided that owners of deep-sea
14 vessels on Canadian registry be allowed to sell their
15 vessels on condition that the proceeds of sale are
16 placed in escrow for the acquisition of modern
17 vessels to be placed on Canadian registry. The use
18 of escrow funds will be modified by removing the
19 provision that vessels acquired with them must be
20 built in Canadian yards and by adding a limitation
21 that such escrow funds will be used in the future
22 only for the acquisition of dry cargo vessels and
23 not of tankers. The Canadian Maritime Commission
24 will be responsible for ensuring that vessels acquired
25 through the use of escrow funds, whether through new
26 construction or by purchase, be of a modern and
27 efficient character.
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Exhibit 220 - p.2.

No change will be made in the present position in respect of Canadian vessels under United Kingdom registry. This maintains the status quo of the agreement between the United Kingdom and Canada concerning Canadian-owned vessels which were transferred to U.K. registry in 1950, as well as those vessels which are owned by Canadians but were never placed on any other registry but the United Kingdom.

It is further announced that, after due consideration, the government has decided that the request made by the Canadian Shipowners Association for operating subsidy could not be approved at the present time. However, if it appears feasible to establish modern Canadian flag vessels on certain routes that would be of benefit to the development of Canadian trade, Mr. Chevrier indicated that consideration might be given at a later date as to whether or not some form of assistance ought to be provided in such cases.



EXHIBIT NO. 221

TABLE SHOWING THE DECLINE IN THE SIZE OF THE MERCHANT MARINE OF GREAT BRITAIN AND NORTHERN IRELAND RELATIVE TO WORLD SHIPPING

1908 - 1923 - 1938 - 1953

(Steam and motor vessels of 100 gross tons and over)

W O R L D		GREAT BRITAIN AND NORTHERN IRELAND		G.B. and N.I. Tonnage as Percentage of World Tonnage
Number of Ships	Gross Tons	Number of Ships	Gross Tons	
1908	21,550	8,405	16,336,869	45.7%
1923	29,246	8,299	19,115,178	30.7%
1938	29,409	6,843	17,675,404	26.4%
1953	31,797	5,784	18,583,808	19.9% (see note)

Note: If the United States reserve fleet is excluded, the percentage becomes 23.1



TABLE SHOWING THE DECLINE IN THE DRY CARGO AND PASSENGER FLEET
OF GREAT BRITAIN AND NORTHERN IRELAND
RELATIVE TO WORLD DRY CARGO AND PASSENGER SHIPPING

1923 - 1938 - 1953

(Steam and motor vessels of 1,000 gross tons and over)

1923 1938 1953	W O R L D		GREAT BRITAIN AND NORTHERN IRELAND		G.B. and N.I. Tonnage as Percentage of World Tonnage
	Number of Ships	Gross Tons	Number of Ships	Gross Tons	
1923	13,680	52,157,718	3,502	16,014,819	30.7%
1938	12,471	51,194,013	2,659	13,728,523	26.8%
1953	12,977	65,163,930	2,174	12,854,067	19.7% (see note)

Note: If the United States reserve fleet is
excluded, the percentage becomes 24.6

Source: The statistics are extracted from Lloyd's Register

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---Exhibit 222: Document dated January 3, 1956
and headed "Submission by Canada
Steamship Lines Limited, Vessel
Operating Cost".

EXHIBIT NO. 222

January 3, 1956
ROYAL COMMISSION ON THE COASTING TRADE

SUBMISSION BY CANADA STEAMSHIP LINES LIMITED

Vessel Operating Cost

When exhibits numbers 200, 201 and 202
were submitted by Canada Steamship Lines Limited
showing the relative cost of operating various types
of vessels from the Head of the Lakes to Kingston
carrying wheat, we were requested to calculate
and submit similar particulars assuming the vessel
"T. R. McLagan" was also employed on this route.

This has been done and we have pleasure
in informing the Commissioners as follows.

The following data may be filled in under
the appropriate headings on exhibit No. 200:-

Vessel A-1, Upper Laker "T.R. MCLAGAN"

Length Overall	714' 6"
Length between perpendiculars	694' 3"
Breadth Moulded	70' 0"
Depth Moulded	37' 0"
Speed in miles per hour	17
Bushel capacity for wheat	765,000
1955 construction cost	\$6,100,000.

When vessel operating Head of Lakes to Kingston
in wheat in a Summer season of 230 days

Trips per season	22.8
Bushels per season	17,442,000
Tons of wheat per trip	20,500
Tons per season	467,200
Ton miles per season	483,085.000

Operating Expenses

Total variable expenses	\$	447,980
Total fixed expense	\$	403,820
Total operating expenses	\$	851,800
		(excluding handling)
Handling expenses	\$	174,400
Total expenses	\$	1,026,200
		(including handling)
Cost per bushel		5.88¢
Total tons carried		467,200.
Cost per ton		\$2.19
Ton miles per season		483,085,000
Cost per ton mile		.212¢
Income at 7¢ per bushel	\$	1,220,940
Profit before tax at 7¢	\$	194,740.

From the foregoing it can be seen that the cost per bushel is about 4% less than that for the "THUNDER BAY" class, but is still in excess of all U.K. vessels considered in this analysis.

(sgd.) R. Lowery)

ROYAL COMMISSION ON CANADIAN
COASTING TRADE.

EXHIBIT No 223

CANADA STEAMSHIP LINES.

GRAPH SHOWING CLEARANCE
OF GRAIN OUT OF LAKEHEAD BY WATER
NAVIGATION SEASON 1955
AVERAGE PER DAY IN MILLIONS
OF BUSHELS FOR EACH MONTH

SOURCE:- LAKE SHIPPERS
CLEARANCE ASS'N

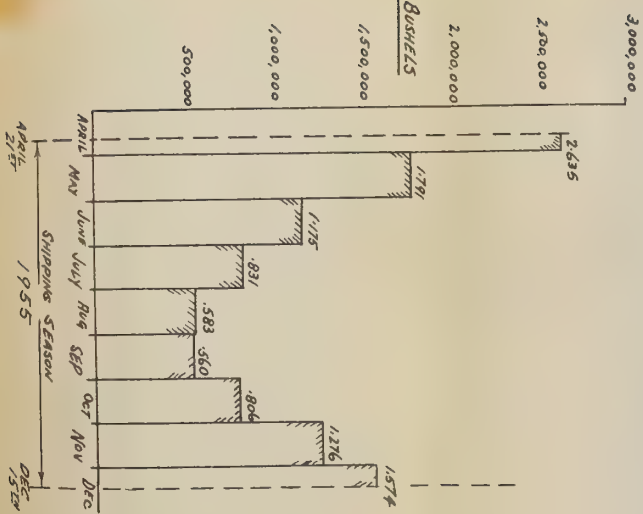




EXHIBIT NO. 227

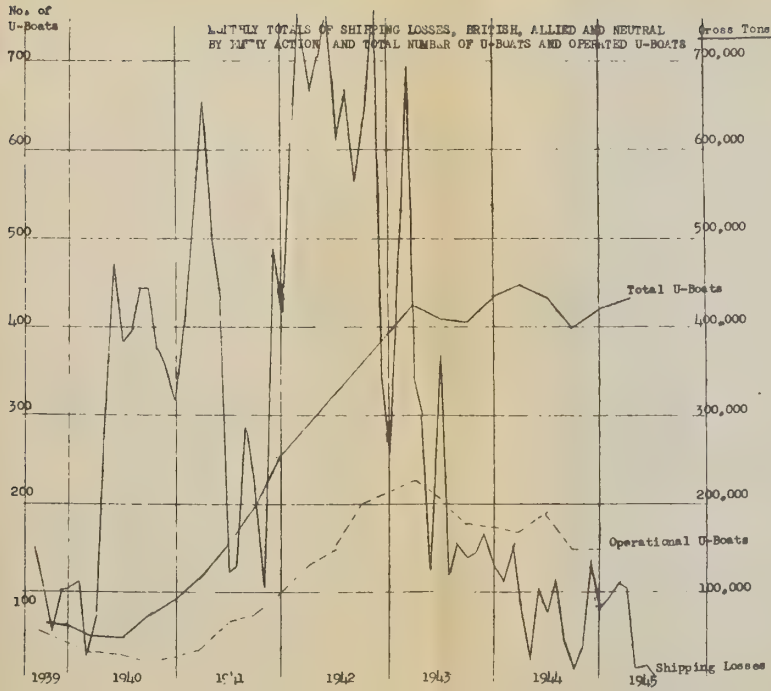
Lake Freight Rates - Fort William to Montreal (cents per bushel)

	1947	1948	1949	1950	1951	1952	1953	1954	1955
May	Max. 10 Wt. 10 Av. 10	Max. 11 Wt. 11 Av. 11	Max. 12 1/2 Wt. 12 1/2 Av. 12 1/2	Max. 12 1/2 Wt. 12 1/2 Av. 12 1/2	Max. 16 Wt. 16 Av. 16	Max. 16 Wt. 16 Av. 16	Max. 16 Wt. 16 Av. 16	Max. 16 Wt. 16 Av. 16	Max. 16 Wt. 16 Av. 16
June	10	11	12 1/2	12 1/2	16	16	16	16	16
July	10	11	12 1/2	12 1/2	16	16	16	16	16
Aug.	10	11	12 1/2	12 1/2	16	16	16	16	16
Sept.	10	11	12 1/2	12 1/2	16	16	16	16	16
Oct.	10	12 1/2	12 1/2	12 1/2	16	16	16	16	16
Nov.	10	12 1/2	12 1/2	12 1/2	16	16	16	16	16

Total bus.
carried -
5 256
grains
(mil.
lions)

Source:

Annual Reports of Board of Grain Commissioners,
1954-55 - Feeds Administration, Department of Agriculture.
1955 - grain shipments - "Grain Statistics Weekly" - D.B.S.



Sources: Appendices to Six Volumes of Churchill's History Of The Second World War And Chart On Page 5, Of The Fifth Volume Of This History.



1 --- Exhibit No. 229: Clipping from "Montreal
2 Gazette" headed "'Seamew'
3 Aircraft Unveiled in U.K.

4 EXHIBIT NO. 229

5 Source - Montreal Gazette - January 4, 1956

6 'SEAMEW' AIRCRAFT UNVEILED IN U.K.

7 (New York Times Service)

8 London, Jan. 3 -- Short Brothers and
9 Harland, of Belfast, disclosed today details of
10 the "Seamew" anti-submarine and maritime recon-
11 naissance aircraft now being produced for the
12 Royal Air Force Coastal Command of the Fleet Air
13 Arm.

14 Powered by an Armstrong Siddeley Mamba
15 turbo-propeller engine, the Seamew is reported
16 able to take off in 450 feet in a 12-knot wind or
17 in 678 feet in still air, thus enabling it to be
18 used from small airfields or on escort carriers.

19 It can "hover" at about 60 knots while
20 searching for submarines or can attain a maximum
21 speed of 211 knots and ceiling 24,500 feet.

22 The Seamew is fitted to carry anti-submarine
23 bombs, torpedoes, depth charges, mines and rocket
24 projectiles under its wings.

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---Exhibit No. 230: Document headed "Comparison of Merchant Fleet of Great Britain & Northern Ireland with the Total World's Fleet".

EXHIBIT NO. 230

CANADIAN SHIPOWNERS ASSOCIATION

COMPARISON OF MERCHANT FLEET
OF GREAT BRITAIN & NORTHERN IRELAND
WITH THE TOTAL WORLD'S FLEET

1905 - 1955

in no. of vessels over 100 gross tons and
total gross tons (dry-cargo and tanker)

GREAT BRITAIN AND NORTHERN IRELAND Steam & Motor			W O R L D Steam & Motor	
<u>Year</u>	<u>No.</u>	<u>Tons Gross</u>	<u>No.</u>	<u>Tons Gross</u>
1905	7,893	14,496,763	19,153	29,963,392
1906	8,083	15,207,410	19,877	31,744,904
1907	8,292	15,930,368	20,746	33,969,811
1908	8,405	16,336,869	21,550	35,723,095
1909	8,419	16,472,602	21,909	36,473,102
1910	8,460	16,767,683	22,008	37,290,695
1911	8,487	17,292,715	22,473	38,781,572
1912	8,524	17,730,940	23,217	40,518,177
1913	8,514	18,273,944	23,897	43,079,177
1914	8,587	18,892,089	24,444	45,403,877
1915	8,675	19,235,705	24,508	45,729,208
1916	8,454	18,825,356	24,132	45,247,724
*				
1919	7,535	16,344,843	24,386	47,897,407
1920	8,113	18,110,653	26,513	53,904,688
1921	8,579	19,320,053	28,433	58,846,325
1922	8,430	19,088,638	29,255	61,342,952



	<u>Year</u>	<u>No.</u>	<u>Tons Gross</u>	<u>No.</u>	<u>Tons Gross</u>
1	1923	8,299	19,115,178	29,246	62,335,373
2	1924	8,169	18,954,158	29,024	61,514,140
3	1925	8,161	19,304,670	29,205	62,380,376
4	1926	7,964	19,263,785	29,092	62,671,937
5	1927	7,820	19,179,029	28,967	63,267,302
6	1928	7,810	19,754,001	29,387	65,159,413
7	1929	7,783	20,046,270	29,612	66,407,393
8	1930	7,856	20,321,920	29,996	68,023,804
9	1931	7,781	20,193,677	29,952	68,722,801
10	1932	7,592	19,562,143	29,932	68,368,141
11	1933	7,328	18,592,204	29,515	66,627,524
12	1934	7,107	17,629,548	28,964	64,357,792
13	1935	6,998	17,298,432	29,071	63,727,317
14	1936	6,891	17,182,857	29,197	64,004,885
15	1937	6,903	17,436,207	29,524	65,271,440
16	1938	6,843	17,675,404	29,409	66,870,151
17	1939	6,722	17,891,134	29,763	68,509,432
18	*				
19	1948	6,025	18,024,852	29,340	80,291,593
20	1949	6,077	18,093,159	30,248	82,570,915
21	1950	6,060	18,219,247	30,852	84,583,155
22	1951	5,983	18,550,361	31,226	87,245,044
23	1952	5,912	18,623,654	31,461	90,180,359
24	1953	5,784	18,583,808	31,797	93,351,800
25	1954	5,740	19,014,220	32,358	97,421,526
26	1955	5,632	19,356,660	32,492	100,568,779

* Owing to war, statistics were not compiled for
1917-18 & 1940-47

Source: Lloyd's Register of Shipping - Statistical
Tables 1955



1 ---Exhibit 231: Letter dated January 3, 1956
2 from Union Steamships Limited
3 making corrections in their
4 transcript.

5
6 EXHIBIT NO. 231

7 UNION STEAMSHIPS LIMITED

8 Head Office and Pier
9 Foot of Carrall St.
Vancouver 4, Canada.

10 January 3rd, 1956.

11 Mr. G.G. McLeod,
12 Secretary,
13 Royal Commission on Coasting Trade,
490 Sussex Street,
Ottawa, Ontario.

14 Dear Mr. McLeod:

15 I am attaching five (5) copies of some
16 corrections which I feel should be made to the
17 transcript of evidence I gave before the Commis-
18 sion on September 1st, 1955.

19 Some of these corrections are due to
20 straight errors in transcription; some are due
21 to the disjointed manner in which I answered
22 certain questions; and some are to clarify the
23 answers so that the Commission has accurate
24 detail.

25 There are two points on which further
26 clarification should be given. Referring to
27 page 2346, the Commission Counsel's question
28 commencing on line 18: On the 1st November I
29 was a panel speaker on the question of "Trans-
30 portation to the North Country" in The Pacific



1 Northwest Trade Association Semi-Annual Convention.

2 Governor Heintzleman of Alaska was also
3 a speaker on the same panel. In order to stimu-
4 late what could be a controversial subject, I
5 dealt quite fully with this particular matter
6 and discovered, much to my surprise, that Governor
7 Heintzleman and the people of Alaska are fully
8 behind any measures which will promote freedom
9 of action in water transportation operations be-
10 tween points in the State of Washington, the
11 Province of British Columbia and the Territory
12 of Alaska.

13 Referring to page 2348 of the transcript,
14 specifically the question at lines 22 to 25, I
15 should have gone further and asserted that there
16 has been very little American capital ever invested
17 in Canadian coastwise shipping enterprises, except
18 possibly those operated by The Canadian Pacific
19 Railway.

20 I have not given prior notice of intent
21 re submitting the contents of this letter and
22 the summary attached, as I did not intend
23 appearing before the Commission to present it
24 as evidence.

25 Yours very truly,

26 UNION STEAMSHIPS LIMITED

27 (sgd.) J.F. Ellis
28 General Manager.

29 Att.
JFE/dhb



CORRECTIONS TO TRANSCRIPT OF EVIDENCE
GIVEN ON BEHALF OF UNION STEAMSHIPS
LIMITED BY J.F. ELLIS AT VANCOUVER,
B.C., SEPTEMBER 1, 1955

Page 2309 - Line 4 to Line 7 should read:-

"....(weather conditions are involved in
towing barges which has a bearing and
a very serious bearing on the manner in
which they assess their rates)".

Page 2312 - Line 17 - the word "other" at the
end of the line should be deleted.

Page 2314 - Lines 10 to 15 should read:-

"The major operations of passenger
carrying on the B.C. Coast are conducted
by the B.C. Coast Steamship Service of
the Canadian Pacific Railway in joint
operation with Canadian National Steam-
ships and by Union Steamships Limited.
Tidewater Shipping Company operate in a
much smaller way."

Line 22

The word "use" should be substituted for
the word "are".

Line 25

The words "we have" at the beginning
of the sentence should be eliminated.

Page 2316 - Lines 14 to 18 should read:-

"That is right. Those barges are used
in the specific carriage of bulk ore
from South Eastern Alaska and Pyrites



1 between Britannia Beach and Watson Island
2 which they use in the pulp mill there".

3 Page 2317 - Lines 3 to 7 should read:-

4 "I am thinking of the pulp mills of
5 British Columbia such as Ocean Falls. There
6 is a very large amount of pulp towed in
7 barges to Vancouver, New Westminster and
8 local ports from pulp mills on Vancouver
9 Island east coast and Powell River."

10 Line 16

11 The words "such as" should appear before
12 the word "Kitimat".

13 Line 17

14 The word "and " should be inserted between
15 "Kitimat" and "to".

16 Page 2318 - Lines 13 and 14 should read:-

17 "what we call the inside waters between
18 Georgia Strait ports and Vancouver when
19 the weather is at times"

20 Line 26

21 The words "type of" should be inserted be-
22 tween the words "our" and "service" and
23 the word "that " should be deleted from
24 the end of the line.

25 Line 27

26 The words "tug freight" should appear as
27 "towboat-freighters."

28 Page 2319 - Line 4:-

29 The word "to" should appear as "and".

30 Lines 8 to 19 should read as follows:-



1 "Yes, the operation referred to previously
2 and the transportation of ore from Skagway
3 in S.E. Alaska directly to Vancouver. That
4 was done by our steamship "Cassiar" until
5 the time we withdrew her from the service
6 on the 1st of May for dieselization, opera-
7 ting between Vancouver and Skagway carrying
8 general cargo Northbound. From the time
9 she was withdrawn until the time that
10 the strike took place our M.S. "Chilliwack"
11 was substituted in her place. The cargo
12 was transported by the White Pass & Yukon
13 Railroad between Skagway and points beyond."

14 Page 2320 - Line 13:-

15 Following the word "juncture" substitute
16 "the bulk" in place of "this".

17 Line 14:-

18 After the word "operation" insert the
19 words "by barge".

20 Page 2323 - Line 27:-

21 The word "small" should appear in place
22 of the word "fleet".

23 Page 2324 - Lines 7 to 17, for clarification,
24 should read:-

25 "I am not sure of the disposition of
26 all of the vessels. I know that one
27 company went bankrupt and that some of
28 its cargo vessels are still operating
29 on short haul transportation, as they
30 were formerly. Scows used on long



1 haul business are usually chartered from
2 towboat companies and are returned to the
3 owners when the work is completed."

4 Lines 22 and 23 should read:-

5 "Vancouver Island where they have small
6 logging camps."

7 Line 25:-

8 The word "sound" should be inserted.

9 Page 2326 - Line 18:-

10 The word "boating" should read "towing".

11 Page 2327 - Line 10:-

12 The words "type of" should be deleted.

13 Line 12:-

14 The word "they" should read "the equipment";
15 and at the end of the line the words
16 "chartered by the" should be inserted

17 Page 2329 - Line 9 should read:-

18 "In the United States a foreign flag
19 coastwise vessel is in".

20 Line 15:-

21 The word "more" should be inserted between
22 the words "for" and "men".

23 Line 16:-

24 The word "with" should be inserted be-
25 tween the words "and" and "much".

26 Page 2331 - Line 10:-

27 The word "national" should read "overall".

28 Page 2332 - Line 20:-

29 The words "special requirements" should
30



1 read "annual overhaul".

2
3 Page 2332 - Line 21:-

4 The words "over there" should read "out
5 also".

6 Page 2333 - Line 6:-

7 The word "Anyox" should read "Alice Arm".

8 Lines 2 to 6:-

9 "The 'Chilliwack' usually operates in cargo
10 service to Kitimat, Prince Rupert and Alice
11 Arm including way ports. She may be used
12 as a substitute vessel for the 'Chilkoot'
13 in which case the 'Chenega' substitutes for
14 the 'Chilliwack'. The 'Chilliwack'
15 operates year round, but last year the
16 'Chenega' did not."

17 Line 14:-

18 The word "a" should read "the".

19 Line 15:-

20 The word "Panamanian" should read "bi-
21 weekly".

22 Line 18:-

23 After the words "Blubber Bay" insert "Van
24 Anda, Westview, Campbell River, etc."

25 Page 2334 - Line 18:-

26 The words "not only" should be inserted
27 between "basis" and "in".

28 Page 2335 - Line 3:-

29 The word "puts" should read "pays".

30 Line 28:-

The word "stabilizes" should read



"stipulates".

Page 2339 - Line 13:-

The word "Chilcotin" should be "Chilkoot".

Line 14:-

The word "Camosun" should be "Cassiar".

Line 16:-

The words "Chilcotin" and "Camosun" should read "Chilkoot" and "Cassiar".

Page 2342 - Line 27:-

The words "parts" should be "ports".

Page 2346 - Line 4:-

The words "those Canadian" should read "the".

Line 7:-

Delete the word "Canadian".

Line 11:-

Insert the words "in Canadian waters" between the words "barge" and "before".

Page 2347 - Line 17:-

The word "lifting" should read "lift" and the word "and" after the word "goods" should be replaced with a comma.

Line 19:-

Insert the word "stevedoring" between the words "lower" and "cost".

Page 2359 - Line 14:-

The word "is" should be deleted.



---Exhibit No. 232: Letter from Aluminum Company of Canada, Limited to the Royal Commission on Coasting Trade dated January 3, 1956.

EXHIBIT NO. 232

ALUMINUM COMPANY OF CANADA, LIMITED

1700 Sun Life Building
Montreal

3 January 1956

Mr. G. G. McLeod, Secretary,
Royal Commission on Coasting Trade,
490 Sussex Street,
Ottawa, Canada.

Dear Sir:

On October 6th, 1955, Mr. R. Barry Graham, General Traffic Manager of Aluminum Company of Canada, Limited, appeared before your Commission to give evidence on various matters arising out of the Company's brief sent with our letter to you of June 7th, 1955.

In the course of Mr. Graham's examination, several questions were put to him which could not be answered offhand, and we have prepared and attach twenty-six copies (one of which is manually signed) of the supplementary information called for by these questions.

Will you please let us know if the Commission feels there is any further information we might furnish.

A transcript of Mr. Graham's testimony



Exhibit 232 - p.2.

indicates one or two slight errors which we respectfully draw to your attention as follows:

- On page 3285 - lines 15, 16 and 17, the word "caskets" should read "castings".
- On page 3285 - lines 22 and 23, the words "Isle de Madeleine" should read "Isle Maligne".
- On page 3288 - line 2, the word "Casso" should read "Kassa".
- On page 3313 - line 26, the word "tide" should possibly be the words "time charter".

At your convenience, we would appreciate an acknowledgment of this letter and its contents.

Yours very truly,

ALUMINUM COMPANY OF CANADA, LIMITED

(sgd.) L.P. Leduc
Secretary



Exhibit 232 - p.3.

THE ROYAL COMMISSION APPOINTED TO ENQUIRE INTO
COASTING TRADE OF CANADA AND RELATED MATTERS

SUPPLEMENTARY INFORMATION
furnished by
ALUMINUM COMPANY OF CANADA, LIMITED

1. QUESTION: (Page 3292 - line 28)

Mr. Gerin-Lajoie: "To what extent do you use
coasting trade for the
transportation of that
intermediate type of raw
material?"

ANSWER:

The following statistics indicate operating
materials moved from Arvida (Port Alfred) to Kitimat
via the coasting trade:

Operating materials shipped from Port Alfred
to Kitimat via Coasting Trade
(tons of 2,000 lbs.)

	<u>1953</u>	<u>1954</u>	<u>1955</u>
Aluminum Fluoride	406	2,437	5,579
Calcined Alumina	1,511	6,078	42,621
Cryolite	4,444	1,718	Nil
Fluorspar	Nil	508	Nil
Calcined Anthracite Coal	<u>8,068</u>	<u>2,020</u>	<u>3,634</u>
Totals	14,429*	12,761	51,834

*Other Operating Materials Shipped During 1953

Tar Ex Montreal	1953:	1,041 S.T.
Pitch Ex Montreal	1953:	412 S.T.
Carbon Ex Shawinigan Falls	1953:	<u>5,459 S.T.</u>
		<u>6,912 S.T.</u>



Alcan expects to employ the coasting trade during 1956 in the transport of chemicals resulting from Arvida operations as follows:

1,100 S.T. Al. Sulphate	Port Alfred to Baie Comeau
1,370 S.T. Al. Sulphate	Arvida to Fort William and points west of Fort William moving rail-water-rail
10 S.T. Alpaste	Fort Alfred to British Columbia

Total 2,480 S.T.

2. Question: (Page 3309 - line 2)

Mr. Gerin-Lajoie: "Could you figure out for the Commission the cost to your Company of transporting from your plant in Arvida a ton of a particular goods to your plant in Kitimat? And do the same with water transportation."

Answer:

The following was the transportation cost of shipping one ton (2,000 lbs.) of alumina from Arvida to Kitimat via rail and water during 1955:

Rail

Water

\$16.16 rail freight Arvida to Kitimat*	\$ 1.20 rail freight Arvida to Port Alfred
---	--

.50 rail car to conveyor	.50 rail cars to storage silo Port Alfred
--------------------------	---

1.25 silo to vessel



Exhibit 232 - p. 5.

Rail (Cont'd)Water (Cont'd)

.22 top wharfage
Port Alfred

.045 Stowing & trimming
8.035 water freight, Port
Alfred to Kitimat

.10 insurance

.60 top wharfage, Kitimat

1.40 vessel to conveyor

\$16.66 Total Cost

\$13.35 Total Cost

*No movement of alumina was made by rail from
Arvida to Kitimat in 1955.

3. QUESTION: (Page 3320 - line 17)

The Chairman: "Do you say you take the
aluminum to the United Kingdom
and sell it more cheaply than
you do in Canada?"

ANSWER:

Listed below are the prices for aluminum
ingot of 99.5% purity delivered to the customer in
Canada, the United States and the United Kingdom as
of December 1955.

Canada

21.00¢ per lb. Can. currency freight allowed
carload lot to customer's plant.

United States

22.50 per lb. U.S. currency delivered to
customer's plant.



Exhibit 232 - p.6.

United Kingdom

£171 Sterling per ton of 2240 lbs. -
delivered to customer's plant. This is about
21.00¢ per lb. Can. currency.

4. QUESTION: (Page 3322 - line 3)

The Chairman: "I want to know whether you
are protected by tariff in
Canada?"

ANSWER:

<u>Tariff</u> <u>Item</u>	<u>British</u> <u>Preferential</u> <u>(U.K.)</u>	<u>Most</u> <u>Favoured</u> <u>Nations</u>
353 Aluminum and alloys thereof: (a) Pigs, ingots, blocks, notch bars, slabs, billets, blooms, and wire bars., per pound Free		1½¢
(b) Bars, rods, plates, sheets, strips, circles, squares, discs and rectangles ... per pound Free		3¢
(c) Angles, channels, beams, tees and other rolled, drawn or extruded sections and shapes Free		22½%
(d) Wire and cable, twisted or stranded or not, and whether reinforced with steel or not Free		22½%
(e) Pipes and tubes .. Free		22½%
(f) Leaf, n.o.p., or foil, less than .005 inch in thickness, plain or embossed, with or without backing Free		30%
(g) Aluminum powder Free		30%
(h) Aluminum leaf, less than .005, millimeter in thickness Free		Free



1	(1) Aluminum scrap.....Free	Free
2	Nothing shall be deemed to	
3	be aluminum scrap except	
4	waste or refused aluminum,	
5	fit only to be remelted....	
6	354 Manufactures of aluminum,	
7	N.O.P. 15%	22½%
8	354a Kitchen or household hollow-	
9	ware of aluminum N.O.P. 20%	22½%
10	409f Irrigation Tubing for	
11	Agricultural purposes Free	Free
12	*Includes U.S.A.	

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5. QUESTION: (Page 3322 - line 30 to
page 3325 - line 12)

"The Commission asked for Alcan's ton-mile
cost of water transportation for shipments of
aluminum ingot."

ANSWER:

The average water transport cost per ton-
mile for aluminum ingot shipped from Arvida and
Isle Maligne via Port Alfred to international
destinations during the period April 14th, 1955
to December 3rd, 1955 was .33¢ per 2,000 lbs. per
statute mile. This represented 97% of Alcan's
metal shipments during this period from Arvida and
Isle Maligne which was shipped via Port Alfred
to destinations in Australia, Belgium, Holland,
Switzerland, Germany, United Kingdom, Italy
and Mexico.

This compares with a ton-mile cost of .43¢
per 2,000 lbs. per statute mile for aluminum
ingot shipped from Port Alfred to Kingston,



Exhibit 232 - p.8.

1073

Ontario and .24¢ per 2,000 lbs. per statute mile
for shipments from Port Alfred to Chicago.

6, QUESTION: (Page 3326 - line 14)

Mr. Simard: "Are the Saguenay Terminal
ships of Canadian registry?"

ANSWER:

This question was answered by Mr. Baatz
in his submission for Saguenay terminals Limited.
On page 3336 of the transcript he stated that
all vessels owned by Saguenay Terminals Limited
are on United Kingdom registry. Ships chartered
by that Company are registered in various countries
other than Canada.

(sgd) L. P. Leduc



EXHIBIT 233

CANADIAN SHIPBUILDING AND SHIP REPAIRING ASSOCIATION

Water-Borne Commerce of the United States - Cargo Tonnage, Foreign and Domestic:
1947 to 1953
(In thousands of short tons)

Class	1947	1948	1949	1950	1951	1952	1953
Foreign commerce, total	188,256	162,971	165,358	169,225	232,056	227,326	217,396
Imports, through seaports	57,366	68,078	77,153	96,299	101,813	108,674	120,595
Exports, through seaports	101,996	65,404	65,740	43,640	97,603	85,072	63,780
Imports, Great Lakes ports	4,796	4,219	4,839	5,683	6,935	7,287	7,387
Exports, Great Lakes ports	24,098	25,270	17,626	23,603	25,705	26,293	25,634
Domestic commerce, approx. net total ...	578,561	630,229	575,363	651,359	692,072	660,396	706,151
Coastwise, between ports	153,098	174,081	161,431	182,544	186,759	184,207	188,758
Great Lakes, between ports	163,180	172,491	145,592	169,881	178,463	154,112	188,621
Local traffic of seaports, Great Lakes ports, and communities on inland waterways ...	112,668	113,959	102,637	106,906	112,028	103,973	102,562



Traffic between ports and river points¹.... 149,615 169,698 165,703 190,789 213,405 216,644 224,957

Traffic between ports of Territories and possessions of the United States² 1,239 1,417 1,460 1,253

Net total, foreign and domestic 766,817 793,200 740,721 820,584 924,128 887,722 923,547

1 Represents traffic among ports and communities utilizing inland waterways exclusively

2 Included in other types of domestic traffic prior to 1950

Source: U.S. Department of Commerce, Bureau of The Census; Statistical Abstract of the United States, p. 587

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EXHIBIT NO. 234

(amending Exhibit No. 227)

Lake Freight Rates - Wheat - Fort William to Montreal (cents per bushel)

	1947 Max. Wt. Av.	1948 Max. Wt. Av.	1949 Max. Wt. Av.	1950 Max. Wt. Av.	1951 Max. Wt. Av.	1952 Max. Wt. Av.	1953 Max. Wt. Av.	1954 Max. Wt. Av.	1955 Max. Wt. Av.
May	10	11	11	12½	12½	16	16	16	16
June	10	11	11	12½	12½	16	16	16	16
July	10	11	11	12½	12½	16	16	16	16
Aug.	10	11	11	12½	12½	16	16	16	16
Sept.	10	11	11	12½	12½	16	16	16	16
Oct.	10	12½	11	12½	12½	16	16	16	16
Nov.	10	12½	12½	12½	12½	16	16	16	16

Total bus. carried - 5 grains (millions)

256 220 265 202 317 450 442 293 254

Source: (a) Annual Reports of Board of Grain Commissioners, 1947-53, and maxima for 1954-5
 (b) 1954 weighted averaged, D.B.S. "Grain Trade of Canada"
 (c) 1955 - grain shipments "Grain Statistics Weekly" - D.B.S.
 (d) 1955 - weighted averages - Feeds Administrator - private information.



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---Exhibit 235: Document headed "Bulk Cargoes as a percentage of total cargoes carried in the Domestic Waterborne Commerce of the United States (Selected years, 1938 through 1952)"

EXHIBIT NO. 235

BULK CARGOES AS A PERCENTAGE OF TOTAL CARGOES CARRIED IN THE DOMESTIC WATERBORNE COMMERCE OF THE UNITED STATES^x
(SELECTED YEARS, 1938 THROUGH 1952)

	<u>In Total Domestic Commerce</u>	<u>In Seacoast Domestic Commerce</u>	<u>In Great Lakes Domestic Commerce</u>
	(Percent of Total Cargoes Carried)		
1938	90%	Not available	Not available
1939	84%	Not available	Not available
1947	88%	91%	98%
1951	88%	85%	99.6%
1952	90%	88%	95%

x See the attached "Explanatory Notes".

Source: Report of the Chief of Engineers, U.S. Army, Year 1939 and 1940, Part 2, Tables 12 to 49; year 1948, 1952 and 1953, Part 2, Table 2.

Statistical Abstract of the United States, 1954, Table 693

Historical Statistics of the United States, 1789 - 1945, Table K 132-1945

EXPLANATORY NOTES

This table is based on an exhaustive tabulation of domestic waterborne traffic by commodities, which is prepared by the Chief of Engineers of the United States Army. From the mass of figures in this tabulation, there have been segregated the statistics of cargoes which are normally shipped in bulk. The total of these figures yields an estimate (but it is no more than that) of the percentage of all cargoes carried in domestic waterborne commerce, which move in bulk.

No allowance has been made for commodities of which a small portion only is shipped in bulk, but most by package freight, and vice versa.

It is reasonable to assume that all other cargoes, not falling into the "bulk category", can be classed as "package", or general, freight.

As far as it has been possible to ascertain, no figures on the composition of the United States domestic waterborne commerce prior to 1938 can be obtained in Canada. Such figures, however, have been compiled and are available in Washington.

A study has also been made by the Statistical Division of the Board of Engineers for Rivers and Harbours, in Washington, of the proportion of total domestic waterborne trade which consisted of package freight, during a period of fifteen years (about 1937 to 1952). This



1 study shows that over the period here named,
2 package freight constituted between 9 per cent and
3 13 per cent of total traffic. The study, unfor-
4 tunately, is no longer available and consequently,
5 cannot be submitted as evidence.

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1
2 ---Exhibit 236: Supplemental brief filed by
3 The Committee on Newfoundland
4 Coastal Shipping.

5 EXHIBIT NO. 236

6
7 SUPPLEMENTARY BRIEF ON DOCKING FACILITIES

8 TO

9 ROYAL COMMISSION ON

10 COASTING TRADE

11
12 FROM

13 COMMITTEE ON NEWFOUNDLAND

14 COASTAL SHIPPING

15
16 APPOINTED BY
17 THE GOVERNMENT OF NEWFOUNDLAND.

18 January, 1956.
19

20
21 SUPPLEMENTARY BRIEF
22 ON DOCKING FACILITIES IN NFLD.

23 In its original brief to the Royal Com-
24 mission on Coasting Trade, the Committee on
25 Newfoundland Coastal Shipping devoted a section
26 to Docking Facilities (pp. 33 to 38). The pur-
27 pose of the Committee in presenting a supple-
28 mentary brief at this time is to re-emphasize
29 the importance to the marine economy of New-
30 foundland of having available in this province



1 adequate repair and service facilities for our
2 coastal and fishing fleets; to describe existing
3 facilities with more detail than in the original
4 brief; to consider the policy which has been adop-
5 ted in other parts of the Dominion with reference
6 to similar marine installations; and to consider
7 what means can be adopted to relieve the present
8 situation.

9
10 It is the carefully considered opinion of
11 this Committee, an opinion which is shared by
12 every section of the shipping trade in Newfoundland,
13 that this province is lacking in marine facilities
14 adequate for the proper maintenance and repair
15 of small vessels ranging from 10 to 400 tons. Our
16 original brief emphasized (at p. 8) the fact that
17 the coasting fleet of Newfoundland is an old
18 fleet, with an average vessel age of 18 years,
19 and pointed out that these vessels will be requir-
20 ing extensive and costly repairs if they are
21 to be maintained in a fit condition to continue
22 the trade, and it stands to reason that as the
23 years pass and these vessels become older, even
24 more extensive repair work will be necessitated.
25 It must be appreciated too that because of
26 the tremendous high cost of new vessel con-
27 struction in this province, relatively no new
28 vessels are being built to replace those lost,
29 sold out of the province or condemned. Our
30 brief (at pp. 9 and 10) shows that in the five
year period 1950-1954 only 20 coasting vessels



1 were added to the Register of Shipping to replace
2 69 coasting vessels removed. The effect of this
3 is to place on the remaining 214 vessels now
4 operating in the coasting trade a tremendous bur-
5 den and responsibility to carry out the function,
6 vital to the economy of the province, of the trans-
7 porting of consumer commodities and supplies and
8 products of our fisheries. The place of the
9 coasting trade in the economy of Newfoundland has
10 been emphasized in our brief, beginning at p. 5,
11 and the reasons there given show why it is essen-
12 tial that the fleet of Newfoundland coasting
13 vessels be maintained.

14 To illustrate the importance of the coas-
15 ting fleet and to show its importance in the
16 economy of island trade, serving 240,000 people in
17 some 1300 small settlements scattered along 6000
18 miles of coastline in Newfoundland and 1200 miles
19 of coastline in Labrador, it should be pointed
20 out that 214 vessels with a total of 21,472 gross
21 tons carried at a conservative estimate 338,887
22 tons of cargo in the coasting trade of this
23 province in 1954 compared with 41,424 tons of
24 cargo carried by the C.N.R. Newfoundland
25 Marine Services in the 1953-54 season.

26 Evidence called before the Royal Commis-
27 sion at its hearings in St. John's in July past
28 emphasized the fact that the economic operation
29 of the Newfoundland coasting fleet was marginal
30 at best, due to the nature of cargoes carried,



1 the general economic conditions of the people and
2 the industries served and to the fact that most
3 vessels were built for fishing and not the carry-
4 ing trade. That this is so is shown by the
5 fact that vessel owners are finding it financially
6 impossible to rebuild or replace vessels lost or
7 condemned.

8
9 In a trade of such marginal operation, it
10 is therefore essential that all services necessary
11 for the continued operation of the trade be avail-
12 able as near at hand and as cheaply as possible,
13 else the effect of being forced to seek these
14 facilities elsewhere, with loss of time and
15 consequent loss of revenue, will be further to
16 remove the possibility of trading without an opera-
17 ting loss. Of services required by a coasting
18 fleet, none is of more importance than having
19 available adequate docking facilities for mainten-
20 ance and prompt repair at reasonable cost.

21 Apart from the need of repair facilities
22 caused by the increasing age of our vessels,
23 our brief made mention (p.34) of a further reason
24 why the need for docking facilities has greatly
25 increased in the past five years, namely the
26 coming into effect in Newfoundland of regula-
27 tions governing the annual docking and inspec-
28 tions of vessels under the Canada Shipping Act.
29 As will be seen when we discuss marine facili-
30 ties which existed in Newfoundland, the instal-
lations available years ago were ample for the



1
2 needs of the times. Prior to the mechanization of
3 vessels, only haulouts were needed, and machine
4 shops were not required in these days of sail.
5 Installations were consequently cheaper to install
6 and repairs less expensive.

7 It has been suggested that underwater work
8 can be taken care of by putting vessels on the
9 hard between tides. Though this is a common prac-
10 tice even now, it is not advisable for vessels
11 powered by heavy engines, as are nearly all coas-
12 ting vessels. Further, under this system proper
13 examination is impossible, since the keels of ves-
14 sels so beached are imbedded in mud and cannot be
15 properly seen. Further, it would be very diffi-
16 cult for C.S.I. inspectors to get around to see
17 all the vessels so beached and it would be diffi-
18 cult to get sufficient inspectors to carry out
19 such work.

20 The availability of marine slipways at
21 strategic points, on the other hand, would mean
22 that vessels would tend to converge on these points
23 for repair and overhaul, under conditions favour-
24 able to complete inspection and making it pos-
25 sible for C.S.I. officials to see a far greater
26 number of vessels. There is a feeling preva-
27 lent in some quarters of the trade that if the
28 Federal Government through C.S.I. makes certain
29 regulations mandatory, then it is under an
30 obligation to provide the facilities whereby
these regulations can be carried out. It is felt



1 that Newfoundland vessel owners should not be re-
2 quired to send their vessels out of the province
3 to be docked in order to comply with C.S.I. regu-
4 lations, and it is felt by some owners that if
5 the facilities are not available locally, they
6 will be forced to lay up their ships.

7
8 An indication of the number of vessels
9 which could be expected to utilize marine favili-
10 ties was given in our original brief. At p. 35
11 it was said: "The Newfoundland division of C.S.I.
12 estimates that the minimum number of drydocks re-
13 quired for inspection purposes only over a four
14 year period is 876, or an average of 219 vessels
15 a year. It is to be noted that these figures take
16 no account of emergency dockings and the require-
17 ments of foreign vessels. Moreover, many vessel
18 owners whose vessels are under 150 tons would
19 undoubtedly dock them every year for bottom
20 painting, etc. if facilities were available. Now
21 that a policy of expanding our fisheries by the
22 use of modernized fishing vessels, engines and
23 equipment is being implemented in Newfoundland
24 it is all the more important that facilities be
25 available to service these vessels, so that
26 the fishing fleet can be kept operating effi-
27 ciently. At a conservative estimate, therefore,
28 the Committee feels that at least 300 dockings
29 a year would be carried out in Newfoundland if
30 facilities were available".



1 It may be fairly asked, 'What facilities
2 exist now in Newfoundland, why are some marine
3 railways not operating, and whose responsibility
4 is it to provide new facilities?' There now
5 exist in the province of Newfoundland only two
6 operating marine docking facilities, one at St.
7 John's and the other at St. Anthony. At St. John's
8 a concrete graving dock, built in 1925 on the site
9 of an earlier wooden dock, completed in 1884,
10 and with a capacity of 14000 tons, is operated by
11 C.N.R. To quote from our original brief: "It
12 is a dock primarily suited for the servicing of
13 their own vessels and the repair of bigger vessels
14 needing repair and those coming to the port in
15 a damaged condition. This dock is in no way
16 suitable for the repair of small wooden vessels
17 without a heavy loss of revenue being involved;
18 vessels often lose a considerable amount of time
19 waiting for accommodation at the dock, being held
20 up, sometimes for quite long periods, while
21 large vessels of steel construction are receiving
22 extensive repairs." This type of dock is entire-
23 ly unsuited to the kind of work which needs
24 to be done on the majority of coastal vessels.
25 It is a dock designed for large ships and it
26 is grossly unfair to vessel owners to expect
27 them to be satisfied to use a dock not inten-
28 ded for their vessels. At St. Anthony,
29 situated on the north east extremity of the
30 Great Northern Peninsula, a 500 ton marine



1 railway was constructed in 1928 by a Boston firm
2 of drydock engineers for the International Grenfell
3 Association, primarily to serve vessels owned by
4 the Grenfell Mission and vessels engaged in the
5 Labrador fishery. This facility can only operate
6 from May until late November or early December,
7 during the navigational season. A survey was con-
8 ducted in July, 1955, to ascertain its present
9 condition, which survey resulted in a recommenda-
10 tion from the engineers that the lifting load
11 should be limited to 300 - 350 tons until certain
12 repairs are carried out, at an estimated cost of
13 \$35,000.00. The number of dockings in the past
14 few seasons have been as follows:

15	1951	-	56
16	1952	-	42
17	1953	-	38
	1954	-	47
	1955	-	26 (to end of October)

18 The decline in the number of dockings at
19 St. Anthony can be accounted for by the total de-
20 cline of the Labrador fishery; by the fact that
21 very few coastal vessels are owned on that coast;
22 by the decline in the load capacity of the dock,
23 and by the fact that the dock is located well
24 north of the winter ice line.

25 The following marine facilities, though
26 existing, are not now in operation:

27 Harbour Grade: At this Conception Bay
28 port, some 70 miles from St. John's the Eastern
29 Marine Railway Docks Limited owns two slipways,
30 built in 1911. The larger slip could



1 accommodate vessels of 500 tons and the smaller
2 300 tons. This facility ceased to operate in
3 December, 1950, and a survey conducted in 1951,
4 showed that extensive work would be required to
5 put the slips into operation at full capacity.
6 The cost of repair, including the electrification
7 of the plant, was estimated at \$100,000.00

8 Burin: At this South West coast port,
9 Western Marine Railway Limited owns two slipways,
10 built in 1920. These slips can accommodate vessels
11 of 1000 and 300 tons respectively. The last
12 vessel was docked in 1953 and a survey conducted
13 in 1951 showed that very extensive work was re-
14 quired to restore this facility.

15 It is sometimes a matter of question why
16 the facilities at Harbour Grace and Burin are not
17 now operative, why they have not been repaired
18 and put back into service. Originally these
19 marine railways were operated by companies formed
20 by ship owners in the area who were interested
21 in effecting repairs on their own vessels at
22 reasonable cost. Even then Government assis-
23 tance was required to effect the provision of
24 these facilities, by the guaranteeing of a yearly
25 5% dividend for 15 years in the case of Harbour
26 Grace and by the guaranteeing of a bond issue
27 in the case of Burin. It would appear that
28 the operations of these slipways did not allow
29 them sufficient profit to be able to build up a
30 reserve to keep these slipways in repair and



1 provide for their eventual replacement. They were
2 accordingly operated until such time as they
3 became old and in need of major repair or replace-
4 ment and the companies concerned, being unable to
5 meet the heavy capital outlay involved, were
6 obliged to suspend operations.

7 Bay Bulls: At this port some 23 miles
8 from St. John's, there was constructed in 1942
9 by the Royal Canadian Navy, a 3000 ton marine rail-
10 way, designed primarily to handle frigates and
11 destroyers. So far as is known, only one vessel
12 was ever docked there, and after the war, when
13 the adjacent machine shop had been dismantled and
14 sold, the dock and premises were bought by Earle
15 Sons and Company Limited, the present owners.
16 The dock has not operated since, though consider-
17 able investigation towards this end has been done.
18 Independent docking experts have studied this
19 facility in relation to the type of vessels now
20 engaged in the Newfoundland coasting and fishing
21 trades, and have given it as their opinion that
22 the dock is far too large for the type of
23 vessels to be served, and that its operation
24 would not be an economic proposition, unless the
25 rates charged were out of all proportion to the
26 size of the vessels serviced. It has been sug-
27 gested the Bay Bulls dock is not in operation
28 due to lack of business. This is certainly
29 not so, since business is readily available, but
30 its unsuitable size, making its economic



1 operation impossible, is the main reason why this
2 dock is not operating.

3 In our original brief (at p. 37 and 38) the
4 Committee related the need of a haul-up facility at
5 Lewisporte, in Notre Dame Bay, to accommodate ves-
6 sels up to 70 tons, of which there are a very
7 large number in that immediate area. The Committee
8 is pleased to report that a water site has been
9 chosen and adjacent shoreline property acquired.
10 Both are immediately available. In addition the
11 Lewisporte Town Council has agreed to manage the
12 operation. A firm of engineers is preparing plans
13 and specifications for the slipway and these will
14 be available in January, embracing latest European
15 techniques for transfer facilities.

16 The Committee on Newfoundland Coastal Ship-
17 ping has arranged, through the Newfoundland
18 Fisheries Development Authority, for a firm of
19 American dock engineers to visit Newfoundland in
20 mid-January and conduct an extensive survey of
21 facilities in this province and report fully on
22 the possibility of restoring those facilities
23 now inoperative and at what cost. The Committee
24 feels that it is thus taking the first step to
25 implement the recommendation made in its
26 original brief (at p. 37) that "the whole matter
27 of providing suitable docking facilities should
28 be taken under review immediately and steps
29 be initiated by the proper authorities to
30 remedy the present absolute lack of any suitable



1 docking facilities whatsoever".

2 In our original brief, at p. 37, there
3 appeared this statement: "This Committee does not
4 know where jurisdiction and responsibility lies
5 for the providing of docking services, but as the
6 coasting fleet must be maintained to carry on the
7 service which only it can perform to supply the
8 needs of the communities scattered around our coast-
9 line, something must be done soon." When the
10 matter of docking facilities was raised at the
11 hearings before the Royal Commission in St. John's,
12 the opinion was expressed that the responsibility
13 of providing these facilities lay with private
14 capital and surprise was expressed that private
15 enterprise had not already effected replacement of
16 the older facilities. As has been seen, the
17 history of dock operation in this province has
18 not been one to encourage private investment,
19 with marginal operation leaving little or no re-
20 serves available for replacement. It is apparent
21 from the pattern of government help offered in
22 the case of Burin and Harbour Grace, in the days
23 when Newfoundland had Dominion status, that
24 docks were regarded in the nature of necessary
25 facilities which had to be provided in order to
26 meet the needs of the coasting and fishing ves-
27 sels, on whom the economy of the country was so
28 dependent. It was apparently felt that though
29 such facilities were best operated privately,
30 that there was an obligation incumbent upon



1 government to ensure that such facilities were
2 available, even to the extent of direct or indirect
3 financial help.

4 Counsel and witnesses called by this Com-
5 mittee at the St. John's hearing were questioned
6 on the matter of responsibility for the provision
7 of marine docking facilities and they were invited
8 to consider the situation to be found in Nova
9 Scotia where, it was suggested, docks are all
10 owned and operated and maintained by private capi-
11 tal. The Committee feels, that in all fairness,
12 it cannot allow this suggestion to pass unchallen-
13 ged.

14 The coasting trade in Newfoundland is well
15 acquainted with the pattern of operation of marine
16 docking facilities in the Maritimes, especially
17 Nova Scotia at such places at Pictou, Shelbourne,
18 Liverpool, Sydney and Yarmouth, for, with the
19 dwindling of facilities in Newfoundland, a large
20 number of vessels owned in this province have
21 been obliged to go to Nova Scotia yards for re-
22 pairs. While it is true that the facilities in
23 Nova Scotia are all owned and operated and main-
24 tained by private capital, it must be borne in
25 mind that most, if not all, of these haulouts
26 were constructed and paid for in times of nation-
27 al emergency by the Federal Department of
28 National Defense. Subsequently, these marine
29 railways were disposed of by the Federal Govern-
30 ment to private operators by sale at low cost



1 or by lease under favourable terms. As a result,
2 private enterprise was able to acquire the use
3 and operation of these slipways without the neces-
4 sity of heavy capital expenditure. If these Nova
5 Scotian slipways had had to be acquired at full
6 market cost and later operated without direct or
7 indirect subsidy, it is certain that eventually
8 they would have been in a similar position to the
9 Newfoundland facilities described above, with
10 consequent inability to operate economically and
11 to provide reserves for future repairs and re-
12 placement. But, in the case of the Nova Scotian
13 slipways, aid was in fact forthcoming to enable
14 them to be operated at reasonable margins of
15 profit. This aid took the form, in the case
16 of the larger haulouts, of a policy on the part
17 of the Federal Government of instituting ship-
18 building programs both for the Royal Canadian
19 Navy and for various Federal Departments during
20 lean periods, and in the case of smaller slipways,
21 by a policy of diverting repairs on Federal ves-
22 sels to these slipways at similar slack periods.
23 However, it is a known fact that Federal Govern-
24 ment participation in the provision and mainten-
25 ance of marine docking facilities is not limited
26 to subsidization of Nova Scotia's docks but
27 rather is Dominion-wide since the Federal Depart-
28 ment of Public Works owns and operates large
29 docks at Equimalt, British Columbia and Lauzon,
30 Quebec and owns and operates a 300 ton slipway



1 at Selkirk, Manitoba, for which rates and regu-
2 lations are published, thereby implying that
3 this slipway is available for the use of vessels
4 other than those owned by the Department itself.
5 Also, the Federal Department of Public Works has
6 contributed to the capital costs of providing
7 marine haulouts both in New Brunswick and Prince
8 Edward Island.

9 It may be that these latter haulouts are
10 intended primarily to serve the needs of fishing
11 vessels, but undoubtedly, they are availed of by
12 coasting vessels as well. From the foregoing
13 facts, it must be apparent that the suggestion made
14 by our Committee for the participation of Govern-
15 ment in the provision and maintenance of marine
16 docking and slipway facilities, is not a suggestion
17 contrary to established Federal policy, but
18 rather is a suggestion which lies within the scope
19 of Government to implement for Newfoundland what
20 has in fact been its policy in various forms
21 in other provinces.

22 This Committee, without wishing to deviate
23 from its suggestion that it is incumbent upon
24 Government to aid in the provision and mainten-
25 ance of suitable services in Newfoundland,
26 would suggest in the alternative that the Feder-
27 al Dry Docks Subsidies Act (Chapter 191 of the
28 Revised Statutes of Canada, 1952) be amended to
29 provide for a fourth-class dock of the size and
30



1 capacity suited to the needs of coastal vessels in
2 this province. This recommendation has already
3 been made in the report of the Newfoundland
4 Fisheries Development Committee in 1953, which Com-
5 mittee was established jointly by the Government
6 of Canada and the Government of Newfoundland.
7 Their report on page 117 dealt with this matter
8 as follows:

9 "The Committee has considered the
10 "provisions of the Dry Docks Subsidies Act
11 "(chapter 191 of the Revised Statutes of
12 "Canada, 1927) which encourages the con-
13 "struction of large dry docks by annual
14 "subsidy at $4\frac{1}{2}\%$ of the construction costs
15 "for thirty-five years, in the case of
16 "first and second class docks, and 3%
17 "of the cost for twenty years in the case
18 "of third class docks. The minimum di-
19 "mensions of third class docks specified
20 "by the Act require a length of 400 feet
21 "and a width of 65 feet at the entrance
22 "and, in the case of floating dry docks,
23 "a lifting capacity of 3,500 tons. The
24 "Committee considers that a third class
25 "dock would be too costly in operation
26 "and unnecessarily large for the vessels
27 "intended to be served. Two small single-
28 "track marine railways at outport loca-
29 "tions, capable of accommodating vessels
30



1 "up to one thousand tons, should be ade-
2 "quate, with the facilities of the large
3 "C.N.R. dock at St. John's, for the require-
4 "ments of Newfoundland shipping. One of
5 "these docks would be constructed at a
6 "central location on the southwest coast and
7 "the other at a similar location on the
8 "northeast coast. Adequate machine shop
9 "facilities could be provided for repair
10 "of small naval craft in case of national
11 "emergency, when floating docks to accommo-
12 "date them may be brought to the sites.

13 "The Committee recommends that the
14 "establishment of these docks be encouraged
15 "by grant of Federal subsidy and that the
16 "Dry Docks Subsidies Act be amended to pro-
17 "vide for a fourth class of dry dock, which
18 "would include marine railway docks of the
19 "type mentioned above. In 1910 when
20 "the Act was passed an annual subsidy at
21 "the rate of 3% for 20 years was substan-
22 "tial. It is recommended that, in view
23 "of the changed circumstances in relation
24 "to interest and to the operation of
25 "business generally, a rate of 5% for 20
26 "years be considered. This should
27 "attract investment of private capital
28 "into the establishment of these facili-
29 "ties and would provide for renewal or
30 "replacement to continue the service in



1 "operation".

2 In anticipation of the responsible Federal
3 Departments implementing the recommendations made
4 in our original brief that a dockyard expert be
5 sent to Newfoundland to confer with provincial
6 authorities in order to resolve the present emer-
7 gency, the Committee on Newfoundland Coastal
8 Shipping has already taken steps to have a thorough
9 survey made of the installations in this province,
10 as mentioned earlier in this brief. The survey,
11 to be conducted by a firm of dockyard engineers,
12 commencing mid-January, will be a most comprehen-
13 sive one in that under-water inspections will
14 be carried out; harbour beds examined and borings
15 made if necessary; existing structures and machinery
16 examined and reported upon; close estimates made
17 of the cost of restoring the facilities as they
18 formerly existed; recommendations given as to
19 modifying or increasing existing capacities and
20 suggestions put forward for alternate sites. The
21 surveying engineers will be asked to make a re-
22 port on the suitability of each installation for
23 the docking and repair of various types of ships
24 including coasters and larger ships, longliners,
25 small draggers and the like. A projection will
26 be made to determine the economics in operation
27 of each dock based on prevailing docking rates
28 and bearing in mind local conditions. The
29 survey report should be completed by the end of



1 With particular reference to docking facili-
2 ties, the Committee emphasizes the great need
3 which exists for haulouts and repeats that such
4 services are essential to the future of small
5 vessel operation whether such vessels are engaged
6 in fishing or coastwise trading.

7 Finally, the Committee on Newfoundland Coas-
8 tal Shipping asks the Royal Commission, after
9 considering the several briefs submitted and evi-
10 dence called on behalf of this Committee, to
11 consider and adopt in its report the recommenda-
12 tions put forward by this Committee, or, alter-
13 natively, the Committee would be equally satisfied
14 if the Royal Commission sees fit to pass the
15 recommendations along to the various departments
16 concerned.

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EXHIBIT NO. 237

NEWFOUNDLAND EMPLOYERS' ASSOCIATION, LTD.

LONGSHORE RATES OF WAGES - EFFECTIVE MAY 1st, 1955.

CLASS OF WORK	Day per.	Early Night Per.	HOURLY RATES OF WAGES				
			Late Night Per.	Union Hols. & Sat. Nights	Sundays & Meal Hours	Meal Hours Sun- days	Saturday after- noons - May 1st- Sept. 30
General cargoes	1.173	1.93	2.51	2.66	3.46	5.19	2.59 1/2
Cement	1.81	2.01	2.59	2.74	3.62	5.43	2.71 1/2
Ammunition	2.33	2.76	3.28	3.43	4.66	6.99	3.49 1/2
Gold stor. on ships	1.91	2.11	2.69	2.84	3.82	5.73	2.86 1/2
Gen. labour about premises	1.16	1.27	1.52	2.12	2.32	3.48	1.74
Coal and sand	1.81	2.01	2.59	2.74	3.62	5.43	2.71 1/2
Welsh steam coal and slag	1.91	2.11	2.69	2.84	3.82	5.73	2.86 1/2
Anthracite Coal	1.93	2.13	2.71	2.86	3.86	5.79	2.89 1/2
Putting coal aboard Sai..							
or Aux. vessels.							
Gen. labour about coal							
premises	1.16	1.27	1.52	2.12	2.32	3.48	1.74
Salt	1.73	1.93	2.51	2.66	3.46	5.19	2.59 1/2
Load. coal on board foreign							
trawlers	1.73	1.93	2.51	2.66	3.46	5.19	2.59 1/2

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Load. salt aboard vessels
Gen. labour about Salt
premises.

B. FISH WHARF

Barrowing & Packing
labour in oil freez.
or clean. oil tanks

Gen. labour about premises
Culling: 8¢ per quintal

C. GOLD STORAGE - MEN

Gen. labour around plant
Casual lab. in plant
wheeling fresh fish into
plant

Checkers & Weighers
Filleters & Skinners
WOMEN

Day
Per.

Early
Night
Per.

Late
Night
Per.

Union
Hols. &
Sat.
Nights

Sundays
& Meal
Hours

Meal
Hours
Sun-
days

Saturday
after-
noons -
May 1st-
Sept. 30

1.31

1.46

1.67

2.11

2.62

3.93

1.96½

1.16½

1.31½

1.52½

2.03½

2.33

3.49½

1.75

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D. SEALING

Packing skins, scraping
& piling skins, salt.
& piling skins, drumming
skins after manufac.
period.

All factory, work, wheeling
to elev. or drop. drumming
skins during manu. period

Drawing & Shipping oil
& other labour about
premises

Clean. seal tanks

Day
Per.Early
Night
Per.Late
Night
Per.Union
Hols. &
Sat.
NightsSundays
& Meal
HoursMeal
Hours
Sun-
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after-
noons -
May 1st-
Sept. 30

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ROYAL COMMISSION ON COASTING TRADE

APPENDIX 5

Containing copies of
exhibits filed at
sittings of the Commission
in Ottawa, on April 5th,
1956 and May 3rd, 1956.



H. O. TAYLOR, C.S.R.

Chief Reporter, S.C.O.

145 YONGE STREET,
TORONTO

INDEX TO APPENDIX 5EXHIBITSFILED APRIL 5, 1956

No.	Description	Page
240	Canadian National Railways. Letter from Mr. L. Cote, Assistant General Solicitor, March 12, 1956, in reply to letter from Mr. H.R. Kemp, Royal Commission on Coasting Trade (concerning construction cost of Canadian-built S.S. "Prince George".	1102
241.	Canadian Pacific Railways. Letter from Mr. J.A. Wright, Solicitor, March 27, 1956, in reply to letter from Mr. H.R. Kemp, Royal Commission on Coasting Trade, (concerning construction cost of U.K.-built S.S. "Princess Marguerite".)	1105
242.	Union Steamships Limited. Letter from Mr. J.F. Ellis, General Manager, to Royal Commission on Coasting Trade - February 29, 1956, enclosing circular letter of February 27, 1956, sent to B.C. Members of Parliament and Senators with regard to Bill No. 107, intro- duced in House of Commons - February 15, 1956, to amend the Transport Act. (Outlines change in recommendations as submitted at Vancouver Hearings and: 1) opposes any extension of licens- ing under Transport Act to B.C. coasting trade as impracticable, 2) if licensing regulations instituted they should apply to all types of vessels engaged in water or air transport, 3) if regulation of fare or freight rates instituted it should apply to all passenger and cargo traffic by water or air trans- port, and through rates covering in part water movement should be abolished or prohibited.)	1108



No.	Description	Page
243.	General Council of British Shipping. Letter from Mr. H.E. Gorick, Joint Secretary, to Royal Commission on Coasting Trade - February 29, 1956, commenting on tables of construction and operational costs of U.K.-built and Canadian-built ships submitted in Exhibit No. 200 by Canada Steamship Lines, Limited. (Suggests that length of vessels ("E", "F" and "G") in relation to beam and depth would be unsuitable for ocean-going service. Believes gap between operating costs of Canadian laker and U.K.-laker trading solely within seaway should be small. Suggests that construction cost figure for type "B" vessel be about \$4,200,000, or 37% greater than figure quoted. Inappropriate to compare vessels "C" to "F", having lake draft of 25'6", with vessel "A", having draft of 23'9").	1119
244.	British Columbia Lumber Manufacturers' Association. Letter from Messrs. Herridge, Tolmie, Gray, Coyne & Blair to Royal Commission on Coasting Trade - February 1, 1956, supplying information requested at Vancouver Hearings. (Annual Report 1954 - lists Association members. Statement showing number of member companies owning tugs, number of tugs and origin, and proportion of total involved in B.C. coastal towing. Statement showing shipments by rail and water in Canada in 1954. Tables I and II in Annual Report show shipments to principal markets since 1945. Statement showing average estimated lumber value including loading and freight within B.C.)	1123



No.	Description	Page
245	Royal Netherlands Shipowners Association. Letter from President to Royal Commission on Coasting Trade - January 24, 1956, clarifying certain references made in Brief No. 101, submitted by the Canadian and Catholic Federation of Labour and National Metal Trades Federation, in regard to assistance provided by Netherlands Government to Shipping industry.	1126
246.	Canadian Shipbuilding and Ship Repairing Association. Letter from Mr. T.R. McLagan, President, to Royal Commission on Coasting Trade, February 8, 1956, stating stand in respect to non-Canadian built ships engaged in Canadian coasting trade at such time as trade is restricted to Canadian-built and registered ships. (Suggests that U.K. ships on liner berth service, regularly employed in Canadian coasting trade for at least five years prior to restriction, would be permitted, if remaining under present owners, to continue under U.K. registry in present service for remainder of natural life, and only be replaced by vessels built and registered in Canada. Opposes permitting U.K. ships, chartered by Canadian companies to continue in coasting trade, but suggests special arrangements might be necessary for a limited time to avoid hardship or disorganization in essential services.)	1132
247.	Canada Steamship Lines Limited. Letter from Mr. R. Lowery, March 29, 1956, in reply to letter from Mr. G.G. McLeod, Royal Commission on Coasting Trade, regarding the ability of CSL vessels to trade to Seven Islands. (List of existing upper lake bulk vessels and freighters capable of trading to Seven Islands on completion of seaway. (Cont'd)	



No.	Description	Page
	Such ships, if engaged exclusively in Seven Islands ore trade, could move 7 m tons of ore to Hamilton and Lake Erie ports in one season. CSL has no intention of using small canallers on Seven Islands run.	
	"T.R. McLagan" is certified to operate as far east as Havre St. Pierre, but smaller upper lake-type vessels would probably be more suitable for operations off west coast of Newfoundland. Dual purpose vessel has advantage of flexibility, but not as efficient in any particular trade as specialized vessel).	1135
248.	Canadian Shipowners Association. Letters from Mr. W.J. Fisher, General Manager, February 14, 1956, and March 6, 1956, in reply to request from Mr. G.G. McLeod, Royal Commission on Coasting Trade, for estimate of operating costs of vessels engaged in Great Lakes and St. Lawrence River trade. Statement showing operating costs of various types of vessels moving grain from Fort William to Kingston, and ore from Seven Islands to Montreal and Ashtabula.	1141
	<u>FILED MAY 3, 1956</u>	
249.	Commonwealth of Australia. Tariff Board's Report on Ship-building Industry, June 16, 1955.	Not Copied
250.	Canadian Pacific Railways. Letter from Mr. J.A. Wright, Solicitor, to Royal Commission on Coasting Trade - April 18, 1956 (concerning construction cost and cost of transporting U.K.-built S.S. "Princess Marguerite" to Victoria.)	1188



(v)

1	No.	Description	Page
2	251.	Canadian Shipowners Association. Reconciliation of data supplied 3 in Exhibits No. 191 and No. 248 4 on operating costs of vessels engaged in Great Lakes-St. 5 Lawrence trade.	1189
6	252.	Canadian Shipowners Association. Additional data on wages for 7 Exhibit No. 248.	1193
8	253.	Commonwealth of Australia. Press Release issued in Melbourne, 9 April 12, 1956, concerning "Merchant Shipbuilding in 10 Australia", (announcing continua- tion of subsidy assistance up to 11 33 1/3% in respect of merchant shipbuilding and control of 12 importation of ships).	1194
13	254.	Canada Steamship Lines, Limited. Letter from Mr. C.P. Reddall, 14 Chief Statistician, to Royal Commission on Coasting Trade - 15 April 19, 1956, with details of various load drafts of the 16 "T. R. McLagan".	1196
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---Exhibit No. 240: Letter from Mr. L. Cote, Assistant General Solicitor, C.N.R., March 12, 1956, in reply to letter from Mr. H.R. Kemp, Royal Commission on Coasting Trade.

EXHIBIT NO. 240

March 1st, 1956.

Lionel Cote, Esq., Q.C.,
Assistant General Solicitor,
Law Department,
Canadian National Railways,
MONTREAL 1, P.Q.

Dear Mr. Cote:

In checking over the various pieces of evidence which the Royal Commission has received in connection with comparative costs of ship construction in Canada and the United Kingdom, we noticed in the submission of the Vancouver, New Westminster & District Metal Trades Council and others (brief 36, page 11) a statement that the "Prince George" built in British Columbia for the C.N.R. in 1948 had cost \$533 per gross ton, while the "Princess Marguerite", built in the United Kingdom for the C.P.R. in 1949 had cost \$678 per gross ton. The authors of the brief deduce from this example that the cost disadvantage of constructing ships in Canada is not so great as some have supposed.

The figures are so anomalous that we should be very much obliged if anybody from your organization would care to explain or



comment on them.

Yours sincerely,

H.R. Kemp,
Economic Adviser.

CANADIAN NATIONAL RAILWAYS

Law Department

Refer to File No. 37627-2

Montreal 1. March 12, 1956.

Mr. H.R. Kemp,
Economic Adviser,
The Royal Commission on
Coasting Trade,
490 Sussex Street,
Ottawa, Ont.

Dear Mr. Kemp: COST OF
S.S. "PRINCE GEORGE"

With reference to your letter of
March 1st respecting the comparative cost on
a gross ton basis of the S.S. "Prince George"
built in Canada in 1948 for the Canadian National
and the S.S. "Princess Marguerite" built in the
United Kingdom in 1949 for the Canadian Pacific,
the comments which I have obtained from our
Purchasing Department are as follows:

"The 'Prince George' was ordered
on September 12th, 1945 from Yarrows
Limited of Victoria, B.C. at a base
price of \$3,098,000 which, based on
5,812.19 gross tons, works out to a



1
2 "per gross ton cost of \$533.00 as mentioned
3 in Mr. Kemp's letter. The vessel was
4 delivered on June 1st, 1948 at a total
5 cost of \$3,622,394., or \$623.00 per gross
6 ton. The difference between the base
7 price and the final cost was due to
8 structural changes and extras authorized
9 by us during construction.

10 "I have no knowledge of the cost
11 to the C.P.R. for the 'Princess Marguerite'
12 and can only assume that the Royal
13 Commission will ask that Company for
14 information in that connection.

15 "With respect to the question of
16 comparative costs of ship construction
17 in Canada and the United Kingdom, all
18 I can say is that United Kingdom ship-
19 builders generally quote lower prices
20 than Canadian shipyards."

21 "If I can be of further assistance,
22 please let me know.

23 Yours very truly,

24 (signed) LIONEL COTE

25 Assistant General Solicitor.

26 LC/K
27
28
29
30



1
2 ---EXHIBIT 241: Letter from Mr. J.A. Wright,
3 Solicitor, C.P.R., March 27, 1956,
4 in reply to letter from Mr. H.R.
Kemp, Royal Commission on
Coasting Trade.

5 EXHIBIT NO. 241

6
7 March 1st, 1956

8 J.A. Wright, Esq.,
9 Solicitor,
10 Canadian Pacific Railway Company,
366 Union Station,
TORONTO 1, Ontario.

11 Dear Mr. Wright:

12 In checking over the various pieces of
13 evidence which the Royal Commission has received
14 in connection with comparative costs of ship
15 construction in Canada and the United Kingdom,
16 we noticed in the submission of the Vancouver,
17 New Westminster & District Metal Trades Council
18 and others (brief 36, page 11) a statement that
19 the "Prince George" built in British Columbia
20 for the C.N.R. in 1948 had cost \$533 per gross
21 ton, while the "Princess Marguerite", built
22 in the United Kingdom for the C.P.R. in 1949
23 had cost \$678 per gross ton. The authors of
24 the brief deduce from this example that the
25 cost disadvantage of constructing ships in
26 Canada is not so great as some have supposed.

27 The figures are so anomalous that we
28 should be very much obliged if anybody from
29 your organization would care to explain or
30



comment on them.

Yours sincerely,

H.R. Kemp,
Economic Adviser.

HRK/RB.

CANADIAN PACIFIC RAILWAY COMPANY

Law Department

366 Union Station

Toronto 1,

March 27th, 1956

Our File: 694

H.R. Kemp, Esq.,
Economic Adviser,
Royal Commission on Coasting Trade,
490 Sussex Street,
Ottawa, Ontario.

Dear Mr. Kemp:-

I regret the delay in replying to your
letter of March 1st.

I have been informed that the actual cost
of constructing the "Prince George" was
\$3,600,000.00 and that as all boilers, auxiliary
machinery in engine room and other equipment
was obtained at low cost from War Assets, this
cannot be considered a normal price. Also, while
the gross tonnages of the two ships are prac-
tically identical - "Prince George" 5812,
"Princess Marguerite" 5911 - the "Princess
Marguerite" machinery develops 15,500 H.P. while



1
2 the "Prince George" machinery develops only
3 7000 H.P.

4 I hope that this information may be of
5 some assistance to you.

6 With kindest regards,

7 Yours sincerely,

8 (Signed) J.A. Wright

9 JAW:DEL
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2 ---EXHIBIT 242: Letter from Mr. J.F. Ellis, General
3 Manager, Union Steamships Limited,
4 to Royal Commission on Coasting
Trade, February 29, 1956, enclosing
circular letter.

5
6 EXHIBIT NO. 242

7 UNION STEAMSHIPS LIMITED

8 Foot of Carrall St.
9 Vancouver 4, Canada

10 February 29, 1956

11 Mr. G.G. McLeod,
12 Secretary,
13 Royal Commission on Coasting Trade,
490 Sussex Street,
Ottawa, Ontario.

14 Dear Mr. McLeod:

15 I am enclosing a copy of a letter I have
16 written to all the British Columbia Members of
17 Parliament and Senators with regard to Bill #107
18 which was introduced in the House of Commons on
19 February 15th.

20 I am sending this to you for your infor-
21 mation, particularly in view of a change in our
22 opinion concerning the licensing provisions of
23 the Transport Act since the time I gave evidence
24 before the Commission.

25 Yours very truly,

26 UNION STEAMSHIPS LIMITED,

27 (Signed)

28 J.F. Ellis,
29 General Manager.
30 -----



UNION STEAMSHIPS LIMITED

Foot of Carrall St.
Vancouver 4, Canada

February 27, 1956

Dear Sir:

I notice on page 1195 of Hansard covering the afternoon session of Wednesday, February 15, 1956 that Mr. T.S. Barnett (Comox-Alberni) moved for leave to introduce Bill #107 to amend the Transport Act to bring the public carriers by water in the Province of British Columbia under the jurisdiction of the Board of Transport Commissioners. In this connection, I would like to draw to your attention a portion of my Supplementary Brief presented to the Royal Commission on Coasting Trade on September 1, 1955 at its hearing in Vancouver, B.C.

The following is an extract from this Supplementary Brief:-

2. COMMENTS ON OTHER BRIEFS -

A. Brief B-87 submitted by Canadian Pacific Railway Company contains several recommendations on which we respectfully submit the following comments:-

(1) Paragraph 15 parts (a) and (b) recommends that the licencing and rate regulating provisions of Parts I, II and III of the Transport Act be extended to include all ships engaged in the



1
2 coasting trade of Canada. We submit that
3 it is neither practicable nor in the
4 interest of the steamship companies engaged
5 in the coasting trade in British Columbia
6 waters to attempt to regulate freight
7 rates. On the Pacific Coast of Canada
8 the steamship operators are faced with
9 major and increasing competition from
10 towboat operators who are transporting
11 more and more large quantity shipments.
12 These large volume shipments are the
13 foundation of B.C. Coastal traffic. The
14 steamship companies must have freedom of
15 action in making competitive quotations
16 if they are to be able to maintain their
17 necessary traffic level, and they must
18 have the ability of making such competitive
19 quotations at short notice. The towboat
20 companies assess their charges on a basis
21 completely different from the basis used
22 by the steamship companies, therefore, any
23 attempt to regulate rates would be met
24 with insurmountable difficulties.

25 B. Brief B-92 submitted by Canadian National
26 Railways contains similar recommendations
27 to those made by Canadian Pacific Railway
28 Company, therefore, our comments relative
29 to the Brief submitted by the latter
30



1 company apply equally to this Brief. We
2 offer one further comment regarding this
3 Brief. Recommendation 2, part (2) proposes
4 that paragraph (k) of subsection (1) of
5 Section 2 of the Transport Act be re-
6 written. The use of the wording ".....and
7 exceeding one hundred tons gross tonnage
8 used in navigation on other waters in
9 Canada;....." would have the effect of
10 exempting many towboats operated in
11 B.C. waters.

12 I would also like to draw to your attention
13 the following extracts from the transcript
14 of evidence I gave before the Commission
15 on September 1st:-
16

- 17 1. Commencing at line 1 on page 2308 and
18 ending at line 14 on page 2309:

19 (Complete quotation omitted. Mr. Ellis
20 draws attention to the final two
21 sentences as follows.)

22 "We have no objection to the regu-)
23 lating of passenger fares provided)
24 that the airline companies are) See
25 also regulated. We have no ob-) Note 1
26 jection to the licensing provis-)
27 ions of these parts)
28 ions of the Transport Act."

- 29 2. Commencing at line 5 on page 2349 and
30 ending at line 2 on page 2357:

(Complete quotation omitted. Mr.



Ellis draws attention to one passage as follows.)

"Mr. Wright:

... Mr. Ellis, I think from what you have said in evidence that probably what you have said in this brief -- supplementary brief -- goes a little further than you intended, does it not? I mean by that, that you have no objection to the licensing provisions of the Transport Act contained in Parts I and II being extended to the coasting trade on this coast?

A. That is correct. I did not specifically exclude it in the supplemental brief. On the other hand, I referred only to freight rate regulations.

Q. Yes, well, I think we have
that clear now."

See
Note 1

NOTE 1: We have given further study and consideration to the many complexities related to licensing the ships engaged in the transport of goods or passengers between ports or places in British Columbia and have changed our opinion. We are now definitely opposed to the licensing provisions being applied to these ships. Furthermore, we are completely convinced that



1 it is absolutely impracticable to apply in British
2 Columbia waters due to the various types of water
3 transport involved.

4 3. Commencing at line 15 on page 2357 and
5 ending at line 16 on page 2358:

6 (Complete quotation omitted. Mr.
7 Ellis draws attention to the
8 following exchange.)
9

10 ("Mr. Wright:

11 ("Q. The object of recommendation
12 (No. 4 is to obtain a measure of stability
13 (within the industry, is it not?

14 ("A. That is right.

15 ("Q. And assuming regulation to be
16 (practicable -- the Canadian Pacific considers
17 (it practicable; they have recommended it,
18 (and the Canadian National does, and Mr.
19 (Rogers -- whom I think you know, do
20 (you not? ---

21 ("A. Yes.

22 ("Q. considers it practicable.
23 (If it is practicable would not regulation
24 (under the Transport Act accomplish what
25 (you have in mind in item 4?

26 ("A. It would accomplish the same
27 (thing, but as I have pointed out, it has
28 (the other difficulties which this
29 (recommendation does not have."
30



1
2 NOTE 2: The Mr. Rogers referred to is
3 President of White Pass & Yukon Route. This means
4 that the only three interested Canadian railroads
5 on the Pacific Coast unanimously recommend that
6 the licencing and rate regulation provisions of
7 the Transport Act be extended to include all
8 ships engaged in the coasting trade of Canada.
9 Further, they consider rate regulation in connection
10 with Canadian coasting trade on the Pacific Coast
11 to be practicable.

12 There are many commodities which are
13 transported by water in the coasting trade and
14 are furthered by or originate by rail, which now
15 move under through rates. Much of this traffic
16 is controlled by the railroads who pay a division
17 to the water carrier for the water haul. This
18 practice could be greatly expanded by the
19 railroads, and as they can control the establish-
20 ment of divisions, they could effectively defeat
21 rate regulation control to the extreme detriment
22 of the independent water carriers in the coasting
23 trade by establishing low divisions and taking a
24 loss on their own water carriers, hoping to
25 make it up on the rail haul.

26 This situation also exists in Pacific
27 Coast International trade relative to cargo
28 moving by water between Vancouver, B.C. and
29 Skagway, Alaska. Northbound traffic may or
30



1
2 may not originate by rail, but it is furthered by
3 rail (White Pass & Yukon Route) from Skagway to
4 points in the Yukon Territory. Southbound traffic
5 originates on the White Pass & Yukon Route line
6 and may or may not be furthered by rail from
7 Vancouver. The cargoes involved are carried
8 by water by Canadian Coastal Trade vessels
9 and the voyages are to all intents and purposes
10 coastal trade voyages, although falling in the
11 category of "International Trade" due to the fact
12 that the goods must be trans-shipped at an
13 American port for access to or egress from the
14 Yukon Territory by rail.

15 Similarly through rate traffic between
16 B.C. ports and Pacific Coast ports of the U.S.A.
17 is engaged in by participating water carriers.

18 Our argument in this connection is that,
19 if rates are to be regulated, all through rates
20 which cover in part a water movement in the
21 Coastal Trade of Canada or a water movement
22 to or from ports in Alaska or on the Pacific
23 Coast of the U.S.A. from or to ports in Canada,
24 should be abolished and prohibited so that it
25 is impossible for a public water carrier to
26 be excluded from participating in such through
27 traffic.

28 A further measure of competition confronts
29 all public carriers on the B.C. Coast as a
30



1 result of water transport operations conducted by
2 subsidiary companies of industrial concerns having
3 processing plants located at various points along
4 the Coast. Such carriers engage mainly in trans-
5 porting goods North and products of the processing
6 plants South and some also engage in public
7 carrier business. These water transport operations
8 handle a very large volume of goods, the major
9 portion of which is not normally available to
10 the public carriers as it is controlled by the
11 parent companies of the transportation companies
12 concerned. The non-availability of such cargo
13 has a decided effect on the volume handled by
14 the public carriers and it is essential, therefore,
15 that any licensing or rate regulating provisions
16 be applied equally to this type of water trans-
17 portation company.
18

19 Our contentions are as follows:-

- 20 1) If the licensing provisions as covered in
21 Parts I, II and III of the Transport Act
22 are to be extended to include all ships
23 engaged in the transport of goods or
24 passengers between ports or places in
25 British Columbia, we contend the same
26 regulations should also be applied to
27 all towboats, scows, barges and all other
28 types of vessels operating in the same
29 waters.
30 2) If the regulation of passenger fares is



1
2 to be instituted in connection with passenger
3 carrying ships operating between ports or
4 places in British Columbia, we contend
5 the same regulation should govern all
6 airlines which operate in competition
7 with these coastal passenger ships.

8 3) If freight rates charged by ships operating
9 between ports or places in British Columbia
10 are to be regulated, we contend that
11 (a) rates charged by all towboat companies
12 operating scows, barges and other types
13 of vessels in the same waters, should also
14 be regulated.

15 (b) All through rates which cover in
16 part a water movement between ports or
17 places in British Columbia or a water
18 movement to or from ports in Alaska or
19 on the Pacific Coast of the U.S.A. from
20 or to ports in Canada, should be
21 abolished and prohibited.

22 (c) Rates on express shipments carried
23 by ships operating between ports or
24 places in British Columbia should also
25 be regulated.

26 4) If passenger fares and freight
27 rates charged by ships operating between
28 ports or places in British Columbia are
29 to be regulated, we contend that rates
30



1 charged by ferries for transporting passengers
2 and vehicles between ports or places in
3 British Columbia should also be regulated
4 whether or not the ferry operation comes
5 under the jurisdiction of the British
6 Columbia Ferries Act.

7
8 To sum up we are opposed to licensing,
9 but we submit if licensing regulations are
10 instituted they should apply to all types of
11 and all vessels engaged in water transport and
12 to air transport; we are opposed to regulation
13 of fares and freight rates, but we submit if rate
14 control regulations of any type are instituted
15 they should be instituted to cover all passenger
16 traffic and cargo traffic moving between ports
17 or places in British Columbia by any means of
18 water transport and by air transport and that all
19 through rates which cover in part a water movement
20 in the coastal trade of Canada or a water movement
21 to or from ports in Alaska or on the Pacific Coast
22 of the U.S.A. from or to ports in Canada should be
23 abolished and prohibited.

24 I hope that the information contained herein
25 clearly outlines our opinion and that it will be
26 helpful in giving consideration to Bill #107.

27 Yours very truly,

28 UNION STEAMSHIPS LIMITED,

29 (sgd) J.F. Ellis,
General Manager.

30 JFE:m



1
2 ---EXHIBIT 243: Letter from Mr. H.E. Gorick, Joint
3 Secretary, General Council of
4 British Shipping, to Royal
5 Commission on Coasting Trade,
6 February 29, 1956.

7
8 EXHIBIT NO. 243

9
10 GENERAL COUNCIL OF BRITISH SHIPPING

11 G.G. McLeod, Esq.,
12 Secretary,
13 Royal Commission on Canadian Coastal Trade,
14 490 Sussex Street,
15 OTTAWA, Ont.,
16 Canada.

29th February, 1956.

17 Dear Sir,

18 In your letter of the 4th January, you were
19 good enough to say that you would allow the
20 General Council to comment on the further evidence
21 given before the Commission by Canada Steam Ship
22 Lines Ltd. We are now in a position to offer
23 the following observations.

24 The very comprehensive tables submitted
25 by Canada Steam Ship Lines in support of their
26 evidence are based, except in the case of the
27 Thunder Bay, on estimates in respect of notional
28 ships. These ships are, moreover, mainly of a
29 type of which neither Canada Steam Ship Lines
30 nor Members of the General Council have any
operational experience. For example, so far as
we have been able to ascertain, British owners
have had no experience in operating vessels
similar to those in the design characteristic



1
2 sheets under the letter headings "D", "E", "F" and
3 "G". Indeed, our advice is that the lengths of
4 the latter three vessels in relation to beam and
5 depth would in fact make them unsuitable for ocean-
6 going service.

7 The General Council would therefore
8 respectfully submit that for these reasons alone
9 overall conclusions could be drawn which might well
10 be misleading.

11 The following observations of a more specific
12 nature are however submitted in the hope that they
13 may be helpful to the Commission:-

14 (a) The vessel under the letter heading
15 "C" does seem somewhat comparable
16 with U.K. ships presently in service
17 and the figures for operating
18 expenses recorded in the tables
19 appear to be fair estimates.

20 (b) It is noted that the difference in
21 total operating expenses between
22 Canadian vessel "A" and U.K. vessel "B"
23 when carrying wheat exceeds \$180,000;
24 and when carrying ore \$170,000.

25 The General Council does not feel
26 able to accept this differential
27 which is in both cases 26%. It
28 remains of the opinion expressed in
29 its letter to the Commission of
30



1
2 the 23rd December, 1955, that the gap
3 between Canadian operating costs and
4 those of a U.K. Laker trading solely
5 within the Great Lakes and St. Lawrence
6 River, would in fact be very small if,
7 indeed, there would be any difference
8 at all.

9 (c) It is also noted that the U.K.
10 construction costs of vessel "B" is
11 given as \$3,065,000. The General
12 Council is advised that this figure
13 is too low and that, at current
14 quotations and after making provision
15 for the voyage across the Atlantic
16 from the United Kingdom, the more
17 realistic figure would be in the
18 neighbourhood of \$4,200,000, that
19 is 37% greater than the cost appear-
20 ing in the table. It will be
21 appreciated that this modification
22 in the figures itself reduces the
23 quoted return on capital from 9.7%
24 to 7% without taking into account
25 any increase in the U.K. operating
26 costs which, in order to obtain an
27 accurate yield figure, would be
28 essential.

29 (d) As the Seaway will permit ships to
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operate at a draft of 25'6" this
should, in the view of the General
Council, enable vessels of somewhat
similar design to the Thunder Bay
type Laker to be developed to load
to a greater draft, permitting sub-
stantially heavier cargoes to be
carried than those indicated - an
increase of some 1,500 tons in the
carrying capacity of such vessels
would probably not be an over-
estimate. Support for this conten-
tion would seem to be available in
the details of the dimensions and
capacity of the "T.R. McClagan",
as given in the evidence. It does
seem inappropriate, therefore, that
vessels "C" to "F", having a draft
for Lake trading of 25'6" should
be compared with vessel "A" with a
draft restricted to 23'9".

23
24
25
26
We are again desired to express the
appreciation of the General Council to the
Commission for allowing it to make these obser-
vations on the evidence of Canada Steam Ship Lines.

27
28
29
Yours faithfully,

(sgd) H.E. GORICK

30
Joint Secretary.



1 ---EXHIBIT 244: Letter from Messrs. Herridge,
2 Tolmie, Gray, Coyne & Blair to
3 Royal Commission on Coasting
4 Trade, February 1, 1956.

5 EXHIBIT NO. 244

6 HERRIDGE, TOLMIE, GRAY, COYNE & BLAIR
7 Barristers & Solicitors
8 140 Wellington Street

9 OTTAWA, February 1, 1956.

10 Paul Cimon Esq.,
11 Assistant Secretary,
12 Royal Commission on the Coastal
13 Trade of Canada,
14 490 Sussex Street,
15 Ottawa, Ont.

16 Dear Sir:

17 Re: British Columbia Lumber
18 Manufacturers Association

19 Further to our telephone conversation, we
20 refer to the evidence submitted by our client
21 British Columbia Lumber Manufacturers Associa-
22 tion at the Vancouver hearings. At that time,
23 the Commission requested certain specific infor-
24 mation which we are now able to submit as follows:

25 (1) Names of members of the Association are
26 shown on the back page of the accompanying Annual
27 Report for 1954.

(2) No. of Companies Owning and Operating their own Tugs.	Total No. of such tugs.	Origin of such tugs.	Proportion of total involved in Coastal Towing in B.C.
--	----------------------------------	-------------------------	--

28 5

29 32

30 Canada 24
U.S.A. 7
U.K. 1

1-% approx.



Note.

The activities of the 32 tugs mentioned above are not confined to lumber operations, in that two of the companies involved use their tugs also in their pulp and paper operations. No details of the percentage use for lumber operations are available.

The proportion of the total involved is based on a figure of approximately 300 tugs operated by members of the B.C. Towboat Owners Association who operate about 95% of the tugs involved in the B.C. coastal trade.

(3) Shipments in Canada 1954 by rail and water

	<u>Volume in Million Board Feet</u>	<u>% of total Shipments</u>
Rail B.C. Points	60	2.2
Prairies	62	2.3
Eastern Canada	120	4.4
Water Eastern Canada	6	0.2
	248 million	9.1%

See also Table 2 Annual Report.

(4) No B.C. lumber moved via Great Lakes from Montreal.

(5) See Tables 1 and 2 of Annual Report for shipments to principal markets since 1945.

(6) Average Estimated Lumber Value including loading and freight within the Province.



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<u>Year</u>	<u>Value per</u> <u>M. Bd. Ft.</u>
1945	38.07
1946	40.12
1947	57.54
1948	74.65
1949	69.88
1950	86.46
1951	74.90
1952	77.85
1953	72.87
1954	63.56

Source - B.C. Forest Service report 1954
figures for total value divided by production.

Note.

Not possible to show proportion of transportation cost on the orders.

The copy of the Annual Report referred to is enclosed.

Confirming our conversation, we do not appear to have received back from the reporters our copy of the Turgeon Commission Report on railways which was left after our presentation on January 6.

We would appreciate it if you could ascertain what has become of this report which we understood through a telephone conversation was being returned to us.

Yours faithfully,

HERRIDGE, TOLMIE, GRAY, COYNE & BLAIR

Per: D.G. Blair

Encl.



1
2 ---EXHIBIT 245: Letter from President, Royal
3 Netherlands Shipowners Association,
4 to Royal Commission on Coasting
5 Trade, January 24, 1956.

6 EXHIBIT NO. 245

7
8 KONINKLIJKE NEDERLANDSCHE REEDERSVEREENIGING

9 'S-Gravenhage, January, 24th 1956.

10 To the Royal Commission on Coastal Trade,

11 O t t a w a.

12 Dear Sirs,

13 The Royal Netherlands Shipowners Association
14 has the honour to address the Members of your
15 Commission on the following subject.

16 In Part IV of the "Submissions to the
17 Royal Committee on Coastal Trade", giving rep-
18 resentations of the "Canadian Catholic Confederation
19 of Labour" and the "National Metal Trades Federation",
20 the Netherlands appear under the heading "Tax
21 Exemptions" (or tax penalties on foreign ships)
22 in the following paragraph:

23 "Reconstruction of the Netherlands
24 fleet has been largely a matter of
25 private initiative. While a replace-
26 ment scheme designed to balance the
27 structure of the merchant marine has
28 been announced by the Director General
29 of Shipping, it is not known to what
30 extent the government will participate.



1 "Traditionally, government aid has not been
2 great, although direct financial assistance
3 was extended to tide the merchant marine
4 over the depressed 30's."

5 This statement has been quoted from
6 Appendix A of the Annual Report of the Canadian
7 Maritime Commission.

8 Further, under the heading: "Loans and
9 Grants", the Netherlands are mentioned with the
10 following explanation quoted from Appendix E of
11 "Shipping Subsidies", a publication edited in
12 August 1951 by the "National Federation of
13 American Shipping Inc."

14 "A limited liability company organized
15 for promotion of national shipping
16 interests and commonly called BENAS was
17 formed in September, 1932.

18 "Full interest in BENAS loans was to
19 be paid only if the operating account
20 of the borrower showed a profit. The
21 interest rate was $4\frac{1}{2}\%$ and 5% , but only
22 $2\frac{1}{2}\%$ remained due (cumulative) in years
23 when no profits were made. In 1935 and
24 1936 in addition to the BENAS loans, the
25 Netherlands Government appropriated
26 over \$10,833,600 to be used as non-
27 interest bearing credit by shipowners.
28 No security was required. These
29
30



1 "loans were not redeemed and apparently
2 became gifts to the Netherlands ship-
3 owners. August 1948, the International
4 Bank for Reconstruction and Development
5 loaned four Netherlands steamship
6 companies \$12,000,000 at $2\frac{1}{2}\%$ interest.
7 In addition to the $2\frac{1}{2}\%$ rate, the companies
8 will pay 1% commission to the Bank and
9 a service charge of $1/16\%$ of the amount
10 outstanding."

11 Our Association wishes to point out to
12 your Commission that the above quotations
13 mentioned in Document B 101 will mislead a
14 not fully informed reader insofar that they
15 will give the wrong impression that in the past
16 the Netherlands shipping has been subsidized
17 by the Government and still is.

18 Therefore our Association feels obliged
19 to clarify certain points in order to give
20 your Commission a clear view of the factual
21 circumstances under which Netherlands shipping
22 received support from the Government.

23 Chronologically in the past the following
24 arrangements have been in force:

25 1. The economic world crisis of
26 the thirties which laid a heavy burden on the
27 Dutch merchant fleet so that an important part
28 of it had to be laid up, was the motive for
29
30



1 the foundation in 1932 of the "N.V. BENAS" with a
2 nominal capital of fl. 5.000.000 in which the
3 Government participated for fl. 2,6 mln. The aim
4 of the Benas was to help owners of laid-up ships
5 to tide over their financial difficulties in
6 providing interest-bearing credits, which were
7 given on security of their ships. Rate of
8 interest, payment of interest and redemption of
9 these credits were those, mentioned in Appendix E
10 of "Shipping Subsidies".
11

12 The crisis getting worse, the Benas
13 gave credits to the owners at more favourable
14 terms.

15 In particular these were credits
16 to keep the crew of the laid-up tonnage on the
17 pay-roll.

18 All credits given by the Benas to
19 the Dutch owners have been fully redeemed before
20 the outbreak of the second world-war.

21 After 1945 the Benas was given
22 another legal status and became a finance-
23 institution for the shipping only to grant
24 credits at normal bank conditions.

25 2. At the outbreak of the second world
26 war the Government of the Netherlands erected
27 an institute for the war-risk insurance of
28 Dutch merchant vessels. This insurance
29 institute worked on the basis of the normal
30



1 insurance-terms of private companies.

2 However the insurance cover was
3 insufficient to defray the expenses for rebuilding
4 the heavily damaged Dutch fleet after the end of
5 the war, primarily because building costs had
6 increased considerably. Considering that during
7 the war the whole fleet had been requisitioned
8 by the Government for war-use - which meant that
9 the Government had the obligation to compensate
10 lost tonnage - a reconstruction scheme was agreed
11 instead of a payment of insurance-money. Under
12 this scheme compensation was paid on the basis of
13 post-war replacement costs for part of the lost
14 ships values, namely the part for which no
15 depreciation had been reserved. Moreover there
16 existed a possibility to obtain credits for
17 payment of deficits on depreciation arisen from
18 increased building costs. These credits were
19 given at a normal interest of $4\frac{1}{2}\%$ under the
20 condition that payment of interest and redemption
21 depended on the earnings to enable the companies
22 to shift their liabilities to more favourable
23 years.
24

25 3. The loans obtained in August 1948
26 by the International Bank for Reconstruction
27 and Development on security of ships made it
28 possible to buy a number of American war built
29 ships to cover the most urgent needs of tonnage.
30



1 According to the prevailing currency laws all dollar-
2 earnings of private persons had to be delivered
3 with the Government, for which reason the Dutch
4 Government gave her assistance in procuring the
5 necessary dollars. For these loans under mortgage
6 normal interest and redemption conditions applied.
7 All these loans have been fully redeemed some
8 years afterwards.

9 We hope that this information will make
10 clear to your Commission that Netherlands shipping
11 is in no way favoured by the Government, neither
12 financial nor through fiscal measures in preference
13 to any other industries. Besides we call your
14 attention to the fact that all arrangements
15 mentioned above, that have been taken in the past,
16 were of a single nature, and have no actual meaning
17 for the present.

18 We shall appreciate if your Commission
19 will pay full attention to this letter, and remain.

20 Yours sincerely,

21
22 KONINKLIJKE NEDERLANDSCHE REEDERSVEREENIGING

23
24 (sgd.) Secretary

President.

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26 _____
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2 ---EXHIBIT 246: Letter from Mr. T.R. McLagan,
3 President, Canadian Shipbuilding
4 and Ship Repairing Association,
to Royal Commission on Coasting
Trade, February 8, 1956.

5 EXHIBIT NO. 246

6
7 CANADIAN SHIPBUILDING & SHIP REPAIRING
ASSOCIATION

8 OTTAWA, February 8th, 1956.

9 The Honourable Mr. Justice Spence,
10 Chairman,
11 Royal Commission on Coasting Trade,
Ottawa, Canada.

12 Dear Sir:

13 You were good enough on January 11th to
14 grant the Association permission to clarify in
15 writing at a later date its stand on a question
16 put to Mr. Jackson on January 10th by the
17 Commission and which he was not in a position
18 to answer.

19 The question to which we refer appears on
20 Page 5728 and 5729, Volume 17, Part E, of the
21 official transcript and reads as follows:

22 THE CHAIRMAN: "That is a very considerable
23 concession, but it still does not cover the
24 question because you refer to Furness Withy, I
25 was not referring to them at all, I was referring
26 to the various ships that are chartered by the
27 Dominion Steel and Coal to carry coal from
28 Sydney to Montreal and which are not liner
29 ships at all and which are not the same ships
30



1 which did it last year or will do it next year,
2 and upon those charter rates depend because of
3 carrying coal to the Montreal market and some of
4 them also come up to this city. Now, is it not
5 apparently inevitable that if there is any
6 restriction of the registry of ships which carry
7 that trade, there must be an increase in cost."

8 PROFESSOR JACKSON: "... I have no present
9 instructions that specifically cover the ships
10 on charter to which you refer."

11
12 The views of the member shipyards of the
13 Association are set forth below:

14 The restriction that the shipbuilders are
15 seeking in the coasting trade of Canada is on
16 ships entering the coasting trade after a given
17 date, say January 1st, 1957. This does not mean
18 that as of that date all ships not built and
19 registered in Canada would be driven from the
20 Canadian coasting trade. We would expect U.K.
21 ships on liner berth service which have been
22 regularly employed in the Canadian coasting trade
23 for at least five years prior to January 1st,
24 1957, would be given permission, as long as
25 they continue to be operated by their present
26 owners, to continue under U.K. registry in
27 their present service for the remainder of
28 their natural lives and only be replaced, as
29 these ships are replaced, by vessels built and
30



1 registered in Canada.

2 As the restriction began to take effect,
3 replacement tonnage would be built and registered
4 in Canada but this replacement would be a gradual
5 process extending over a long-range period
6 without any substantial increase in freight
7 rates.

8 But we are strongly opposed in principle
9 to similar permission being given to U.K. ships
10 chartered by Canadian companies to participate
11 in the coasting trade of Canada. However, we
12 appreciate that a sudden curtailment in the
13 use of chartered U.K. ships could cause hardship
14 or disorganization in certain essential services
15 and realize that some special arrangements might
16 be necessary for special cases for a limited
17 time, the details of which could be determined
18 for individual cases, with the objective of
19 establishing full restriction of the coasting
20 trade in the shortest practical time.

21 Yours sincerely,

22 (sgd.) T. R. McLagan,
23 President.
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1
2 ---EXHIBIT 247: Letter from Mr. Lowery, Canada
3 Steamship Lines, Limited, March
4 29, 1956, in reply to letter
5 from Mr. G.G. McLeod, Royal
6 Commission on Coasting Trade.

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10 EXHIBIT NO. 247

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March 20, 1956.

Dear Mr. Lowery:

I refer to our telephone conversation yesterday, from which I understand that the T.R. McLagan and the Thunder Bay class and in fact all the post-war built vessels of Canada Steamship Lines have been designed to be suitable for service to Seven Islands. May I ask if it was necessary or will become necessary to have them certified for such service by a recognized classification society, and if so whether this certification has been obtained? Is any other approval necessary, governmental or other?

Am I correct in understanding that all your older, pre-war vessels except the so-called canallers would require modification to be permitted to trade to Seven Islands? If feasible, approximately how much might this cost for one or two typical vessels, and would it be regarded as an economic proposition?

Given attractive cargo offerings, would the T.R. McLagan be suitable for employment



1 farther east than Seven Islands, say to the west
2 coast of Newfoundland or generally in the Gulf of
3 St. Lawrence? If not, would you expect that
4 suitable modifications would be worthy of serious
5 consideration, either for the existing vessel or
6 for a similar new vessel? Or is it likely that
7 an ocean-going vessel or something akin would be
8 more suitable?

9 Thank you again for your unfailing courtesy
10 and consideration.

11 Yours faithfully,

12 Secretary.

13
14 R. Lowery, Esq.,
15 Vice President,
16 Canada Steamship Lines Limited,
P.O. Box 100,
Montreal, P.Q.

17 -----
18 CANADA STEAMSHIP LINES LIMITED
March 29, 1956

19 Mr. G.G. McLeod,
20 Royal Commission on the Coasting Trade,
Ottawa, Ont.

21 Dear Mr. McLeod:

22 Thank you for your letter of March 20th
23 requesting information regarding the ability
24 of Canada Steamship Lines vessels to trade
25 to Seven Islands.

26 In the post war years the following large
27 Upper Lake Bulk vessels have been constructed
28 by Canada Steamship Lines shipyards and all of
29
30



these vessels are capable of trading to Seven Islands without any changes whatsoever:

<u>VESSELS</u>	<u>OWNERS</u>
Coverdale	Canada Steamship Lines
Hochelaga	" " "
Sir James Dunn	" " "
Thunder Bay	" " "
Georgian Bay	" " "
T. R. McLagan	" " "
Gordon C. Leitch	Upper Lakes & St. Lawrence
James Norris	" " "
Paterson	N. M. Paterson & Sons Ltd.
E. B. Barber	Algoma Central Co.

In addition, the following four (4) large Upper Lake Bulk vessels, which are also capable of trading to Seven Islands without any changes, have been constructed by others:

Scott Misener	Colonial Steamships
John E. Misener	" "
John O. McKellar	" "
Golden Hind	Beaconsfield Steamships Ltd.

These vessels could all trade to Seven Islands tomorrow if the Seaway were open and if engaged exclusively in this trade these ships alone could transport some seven million tons from Seven Islands to Hamilton and Lake Erie ports in one season, whilst the maximum amount ever discussed between lake operators and the



1 Iron Ore Company of Canada is five million tons
2 per season.

3 In addition to the foregoing, Canada Steam-
4 ship Lines has a further nine (9) Upper Lake Bulk
5 Freighters also capable of trading to Seven Islands
6 without any change. These vessels are:

7 Ashcroft	Hagarty
8 Burlington	Prescott
9 Donnacona	Stadacona
10 Gleneagles	Westmount
11 Goderich	

12 I have not had time to check the whole
13 Canadian Upper Lake fleet, but I know for
14 example, that Colonial Steamships have four (4)
15 Upper Lakers in addition to the three (3) new
16 vessels which are capable of going to Seven
17 Islands.

18 I feel sure that the foregoing will
19 satisfy the Commission that the Canadian Upper
20 Lake fleet is fully capable of looking after
21 any conceivable movement of ore from Seven
22 Islands.

23 We would have no intention, of course,
24 of using our small canallers on this run although
25 many of them are already certificated to go to
26 SevenIslands at this time.

27 Your question regarding the use of the
28 "T.R. McLagan" further east than Seven Islands,
29



1 say to the west coast of Newfoundland or generally
2 in the Gulf of St. Lawrence, cannot be answered
3 at this time since we do not know.

4 The position is that the vessel is cer-
5 tificated to operate as far east as Havre St.
6 Pierre and we would hope to find adequate
7 employment for her within this area. Should,
8 however, we find it worthwhile to operate the
9 vessel to the west coast of Newfoundland, I have
10 no doubt but what the necessary certificate could
11 be obtained with little cost to the ship. I
12 cannot, however, give you any estimate of this
13 since we have not investigated the matter.

14 At present the west coast of Newfoundland
15 would not appear to be too suitable an area for
16 operating a giant vessel such as the "T.R. McLagan"
17 and some of our other somewhat smaller Upper
18 Lakers would appear to be more suitable, and
19 whilst we have not investigated the matter
20 thoroughly I should think there would be no
21 trouble to obtain the necessary license for
22 them to operate in this area.

23 I feel that all we can say about the
24 operation of dual purpose vessels has been said
25 during the hearings.

26 The dual purpose vessel gains in operating
27 advantages in view of its flexibility, but it is
28 not so efficient in any particular trade as the
29
30



1 single purpose vessel. The advisability or
2 otherwise of employing dual purpose vessels is a
3 matter for individual appraisal, depending
4 upon circumstances as they can be seen or
5 anticipated at the time.
6

7 Yours sincerely,

8 (Sgd) R. Lowery

9 FL/pms

R. Lowery
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1 ---EXHIBIT 248: Letters from Mr. W.J. Fisher,
2 General Manager, Canadian Ship-
3 owners Association, February 14,
4 1956, and March 6, 1956, to Mr.
5 G.G. McLeod, Royal Commission on
6 Coasting Trade, together with
7 statement.

8 EXHIBIT NO. 248

9 "Estimated Cost of Operating in the Great Lakes"

10 submitted by Canadian Shipowners Association

11 -----

12 CANADIAN SHIPOWNERS ASSOCIATION

13 160 Laurier Ave., West

14 Ottawa 4, Canada

15 February 14th, 1956.

16 Mr. G. G. McLeod,
17 Secretary,
18 Royal Commission on Coasting Trade,
19 490 Sussex Street,
20 O t t a w a.

21 Dear Mr. McLeod:-

22 I refer to your letter of November 21st,
23 1955 in which you ask us to prepare certain
24 estimates in connection with St. Lawrence River
25 and Great Lakes Trades. As I informed you, I
26 passed your enquiry on to two of our technical
27 people asking them to prepare the requested
28 material. I have now received from my Canadian
29 source the estimates requested and a copy is
30 forwarded herewith.

In the letter of transmittal the authors



1
2 make the following qualifications:

3 "We note that the costs of various
4 types of vessels that the Commission are
5 interested in are to be estimated costs
6 to vessel's operator based on British flag
7 vessels, which will naturally include
8 crews on British standard rate of pay.
9 We have been guided accordingly.

10 "The Commission suggests that
11 estimates should be prepared on the basis
12 of 1955 building costs. We would point
13 out that, if a shipbuilding order was
14 placed today with a British yard, delivery
15 could not be expected until 1959/1960.
16 Also, British yards will not quote fixed
17 prices for forward delivery but only quote
18 on basis of estimated costs with escalator
19 clauses.

20 "In order that the costs can be
21 evaluated more easily, we have prepared
22 estimates on the following basis:-

- 23 1) Estimated Cost if constructed in 1955
24 2) Estimated Cost if constructed with
25 delivery in 1959
26 3) Estimated cost of operation of
27 British vessel on time charter basis
28 at prevailing time charter rates.

29 "In the case of the larger type of
30



1 vessel, we have considered an 18,500 D.W.T.
2 vessel which, when operating in the Lakes,
3 would carry a deadweight of 15,000 tons,
4 including cargo, stores, fuel, etc., on a
5 draft of 25'-6".

6 "For smaller vessel, we have used a
7 normal 9,000 ton deadweight carrier operating
8 in the Lakes at her maximum draft.

9 "We are of the opinion that an
10 18,500 ton deadweight bulk cargo vessel
11 operating on the Lakes at a draft of 25'-6"
12 would prove an economical carrier in this
13 particular service. The type of vessel
14 we have in mind would only be profitable
15 when handling dry bulk cargoes and vessel
16 would not have any loading or unloading
17 facilities included in her equipment. The
18 two most important cargoes which would be
19 handled on the Lakes are grain and iron
20 ore. If a combination tanker and dry cargo
21 vessel was designed with grain cargoes
22 from the Lakes in mind in order to provide
23 the necessary cubic to carry 14,500 tons
24 of grain, the wing tanks for oil cargo
25 would be restricted in size and would not
26 have sufficient volume to make them
27 attractive from a freight earning point
28 of view in competition with a straight
29
30



1
2 tanker. Alternatively, if a vessel was
3 designed to carry both dry cargo and oil
4 cargo using the same cargo compartments,
5 which is feasible, the vessel would be
6 more or less exclusively a grain or oil
7 carrier. Consequently, we favour as a
8 better all round proposition the development
9 of a straight bulk dry cargo vessel as
10 such a vessel could handle grain, coal,
11 iron ore, bauxite, sugar, alumina, and
12 practically any dry cargo that is usually
13 carried in bulk.

14 "In the preparation of our estimates
15 an interest rate of 5% has been used as
16 this is the normal rate of interest a
17 Shipbuilder expects to secure when financing
18 new buildings and such a rate gives Builder
19 a small allowance on return for investment.

20 "The straight line depreciation
21 method (7%) has been used in our estimates
22 as this is the method of depreciation used
23 by most European countries today for new
24 motor vessels.

25 . . .

26 "In our estimates we have assumed
27 that vessel would operate 335 days a year
28 over a 20 year period. This is based on
29 the assumption that normal life of vessel
30



1 will be about 20 years. Allowance has been
2 made for 30 days per year for repairs and
3 maintenance, deviations to repair ports,
4 etc. It is assumed that vessel would
5 operate on the Lakes about 185 days per
6 year with the remaining 150 days per year
7 being employed in deep sea tramping."
8

9 . . .

10 Yours sincerely,

11 (Signed)

12 W. J. Fisher
13 General Manager

14 -----

15
16 CANADIAN SHIPOWNERS ASSOCIATION

17 160 Laurier Ave., West

18 Ottawa 4, Canada

19 March 6th, 1956.

20 Mr. G. G. McLeod,
21 Secretary,
22 Royal Commission on Coasting Trade,
23 490 Sussex Street,
24 O T T A W A .

25 Dear Gordon:-

26 I refer to your letters of February 20th
27 and 24th regarding estimates on costs of
28 operating in the Great Lakes.

29 The following answers have been prepared
30 to your various questions of February 20th.

1. Allowance of 30 days lost time a year



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for repairs, survey, and deviation:

(a) Q. Does this represent actual experience in vessel operation? What vessels in what trades?

A. Yes - Ocean going vessels in tramp trade.

(b) Q. Does deviation include only time lost by reason of going to or from a repair port and from one seasonal trade to another, excluding time spent (not necessarily "lost") in deviations to pick up particular cargoes or idle time due to lack of cargo offerings etc.?

A. A deviation is calculated on the basis of distance from discharge port to the next loading port as against distance from discharge port via repair port to next loading port and does not include any time for change from one seasonable trade to another or any time spent deviating to pick up any cargo whatsoever.

(c) Q. If the 30 days includes an extra allowance over current experience for deviation to and from the seaway, how much extra?

A. No.

(d) Q. For how many of the 30 days would the vessel be laid up and the crew laid off? Would the crew be paid full wages for this period, or paid at what lower rates,



1 and how would other portage items be
2 affected, e.g. leave pay, contributions
3 to pension fund and unemployment insurance?
4

5 A. Crews are kept on full wages during lay-up
6 for repairs at the same rate of pay and
7 benefits when operating.

8 2. Q. Why is it assumed that the vessels would
9 spend only 185 days a season in the Great
10 Lakes Trades?

11 A. Navigation in the lakes is usually from
12 about April 15 to December 10 or say a
13 period of some 230 days.

14 If a vessel is deep sea tramping
15 it is very unlikely that she would be
16 able to^{be} present in the St. Lawrence ready
17 to enter the lakes on the first day
18 navigation opens. On the other hand it
19 is also very unlikely in view of the
20 uncertainties of winter employment that
21 any owner of deep sea tonnage would
22 keep his vessel in the lakes until final
23 close of navigation. The usual procedure
24 is to look ahead for winter business and
25 pull vessel out of lake trade towards the
26 close of navigation, rather than wait
27 until deadline and risk not finding future
28 prompt employment.

29 It is with this reasoning in mind
30



1 we used a round figure of 185 days for lake
2 trading. It should also be borne in mind
3 that if ocean going vessels enter the
4 St. Lawrence before the 25th April, if
5 they are trading under Norwegian Policy
6 Limits, they pay a heavy additional premium
7 and inversely if they are not out of the
8 St. Lawrence by midnight on November 30th,
9 they pay a further heavy additional premium.
10 In the case of vessels operating under
11 British Institute Warranty Limits, the
12 St. Lawrence trading season under normal
13 insurance is much shorter than when
14 operating under Norwegian Limits.

15 3. Q. Interest during construction (under
16 "organization") apparently should be ten
17 times greater than allowed.
18

19 A. We regret the typographical errors which
20 crept into the calculation of interest
21 during the construction period. These and
22 other errors have been corrected in the
23 revised statements enclosed with this
24 letter.

25 4. Insurance:

26 (a) Q. Why is war risk not reduced as noted for
27 Great Lakes service? The difference appears
28 substantial.

29 A. As stated War Risk is 12¢ per \$100. value
30



1 plus 5%. Just what rate insurance companies
2 will charge when Seaway becomes operative,
3 we do not know, and if the War Risk
4 insurance they do eventually suggest is
5 less than 12¢ then it will be necessary
6 to pro-rata War Risk insurance in the lake
7 for the period time vessels are in the
8 lakes and this saving would be reflected
9 in estimates.
10

11 (b) Q. Is the additional Great Lakes insurance
12 not proportionate to the time spent in the
13 Lakes? The "additional" charge seems to
14 be a full year's differential charged to
15 a 185-day season.

16 A. Yes - the normal charge as indicated is
17 not for a full year but is an extra expense
18 incurred by the deep sea shipowners for
19 the privilege of trading in the lakes
20 during the open season which as mentioned
21 previously we assume to be around 185 days.

22 (c) Q. The daily charge for "Great Lakes
23 additional insurance" (and hence the
24 total item for "Great Lakes additional")
25 in the first table is greater than that
26 derived in the later detailed sections;
27 why?

28 (e.g. first table give \$38.13 as "Great
29 Lakes additional" daily charge for
30 9,000 tonner, whereas the section on
this vessel gives this charge as \$37.40)



1
2 A. We regret that somehow or other a mistake
3 has crept in here and the figure should
4 read \$37.40.

5 5. Wages:

6 (a) Q. It would appear that wages and similar
7 portage items are charged for a full 12
8 months; is this correct?

9 A. Yes - based on year round operation i.e. lake
10 trading summer months - ocean tramping trade
11 during closed navigating season.

12 (b) Q. It would appear that the Canadian bonus
13 is charged for 335 days rather than 185; is
14 this correct?

15 A. No - only charged in estimate for number
16 of days actually operating in lakes including
17 - Seven Island - Ashtabula voyages.

18 6. Q. No fuel consumption is calculated for the
19 $\frac{1}{2}$ day delay assumed for each voyage; is
20 this assumed to be within the margin of
21 error of the fuel estimate?

22 A. No fuel provided for during $\frac{1}{2}$ day delay
23 period, if vessel was anchored or along-
24 side, fuel consumption will be very small
25 and if speed is reduced due to other
26 causes then overall consumption sufficient
27 to protect this extra $\frac{1}{2}$ day.

28 7. Miscellaneous expenses per voyage:

29 (a) Q. Would the charge for a "Lake Master"
30



1
2 apply only to occasional voyages, or would
3 it be necessary for a whole season in the
4 lakes and for season after season?

5 A. It is possible to engage a "Lake Master"
6 on the basis of occasional voyages but
7 during lake navigating season, such Masters
8 are in great demand and not readily avail-
9 able. It is therefore, considered more
10 economical to engage the Lake Master on
11 seasonable basis rather than risk the vessel
12 being delayed awaiting the services of a
13 Lake Master.

14 (b) Q. What are the charges identified as "Fort
15 William" "Welland Canal", "Kingston", "Seven
16 Islands (in and out)", "Montreal",
17 "Ashtabula", etc.?

18	A. Fort William	Agency Fee	\$50.00
19	Welland Canal	Tolls, in & out, gratuities	60.00
20	Kingston	Agency Fee	50.00
21	Seven Islands	Agency Fee	150.00
22	Lines		50.00
23	Pilot		35.00
24	Tugs		150.00-250.00
25	Montreal	Agency Fee	100.00
26	Pilot		175.00
27	Cables & Sundry expenses		25.00
28	Ashtabula	Agency Fee	50.00

29 (c) Q. Are the "incidentals" charged per lakes
30 trip peculiar to such trips and not
included in the "miscellaneous" item for



1
2 general service?

3 A. Yes - allowance for long distance phone
4 calls, postage, cables etc. Such items are
5 not included in "miscellaneous", while
6 "miscellaneous" includes above mentioned
7 port items.

8 8. Q. In the wheat movement, are any of the charges
9 listed such as might be included in the
10 Canada Steamship Lines item of 1¢ per
11 bushel for "handling charges", or are the
12 latter charges completely excluded from the
13 calculations?

14 A. No - we did not take into consideration
15 handling charges and have not provided for
16 this charge as it is a cost which is more
17 attributable to the cargo. The 1¢ per
18 bushel included by C.S.L. must be elevation
19 charges and would be the same for all vessels.

20 9.(a)Q.The return mileage from Seven Islands to
21 Ashtabula is given in total as 1720, but
22 the detail adds to 1830, and is the
23 correct total not 1942 statute miles?

24 A. As near as we can ascertain the mileage
25 is around 1,922 statute miles for
26 estimating purposes we have used the
27 round figure of 1,940.

28 (b) Q. What is the source of mileage data used?

29 A. Lake navigating charts.

30 10. Q. Are there some footnotes missing? Or



1 what is the significance of the (E) after
2 sick pay on the first and other pages,
3 the (B) after Montreal in the ore section?
4

5 A. No footnotes missing - capital "E" stands
6 for "Estimated" and the capital "(B)" stands
7 for "Bunkering".

8 Regarding the estimate of fuel consumption
9 commented on in your letter of February 24th. In
10 preparing our original estimates, we took into
11 consideration the straight overall picture as we
12 did not appreciate the Commission would wish to
13 break down estimates to extent of making allowances
14 for fuel consumed at various speeds. It is usual
15 for marine operators - when estimating for cargo
16 purposes - to just strike a reasonable average
17 to evaluate the business. The breaking down of
18 such estimates requires considerable time and
19 usually such time is not available due to the fact
20 that such evaluating must be done in a hurry in
21 order to submit "bids".

22 In view of the Commission's interest in
23 the particular voyages in question, we have had
24 our marine people, using their Lake experience,
25 calculate the time it is possible to operate at
26 full speed and also the time it will be necessary
27 to proceed at reduced speeds between the various
28 lake ports, canals, locks, etc. In each voyage
29 we have taken total time running at full speed
30



1 and total time running at reduced speed for
2 estimating purposes and have calculated fuel
3 required on this basis. In addition, we have made
4 a reduction in fuel required for ballast passages,
5 as vessels are usually unable to develop maximum
6 power while operating in ballast condition and
7 there is a small saving in fuel requirements.
8

9 All the estimates have been revised to
10 take into consideration the foregoing and enclosed
11 are the corrected pages which should be sub-
12 stituted in the binder originally sent you on
13 February 14th.

14 We sincerely trust these estimates will
15 now serve your purpose. However, should you
16 desire any further information or clarification
17 we will be pleased to be of such assistance as
18 we can.

19 Yours sincerely,

20 (signed) W.J. FISHER.

21 W.J. Fisher
22 General Manager

23 WJF/D.
24 encls.
25
26
27
28
29
30

Operating Cost per Day

2000 DWT	18,500 DWT
<u>\$2,550,000</u>	<u>15,000 DWT (Lakes)</u>
Daily - 20 yrs.	\$4,600,000
335 day/year	Daily - 20 yrs.
	335 day/year

\$	380.60	\$	686.57
	138.31		249.50
	22.86		38.93
	123.90		191.30
	168.66		193.87
	140.00		146.87
	23.65		24.95
	.89		.89
	8.51		8.96
	.81		.81
	7.85		8.36
	1.33		1.42
	1.42		1.49
	2.76		2.99
	5.36		5.72
	49.25		52.24
	45.37		72.09
	11.94		11.94
	22.28		22.78
	<u>\$1,155.75</u>		<u>\$1,721.68</u>
	35.82		35.82
	<u>\$1,191.57</u>		<u>\$1,757.50</u>

Administration & General	
Basis \$1,000 per month	
12 months	
<u>\$12,000</u> per year	
Cost per day basis 335 days	
\$ 35.82	
	<u>23 Feb./56</u>

1955 - Building Cost	
18,500 DWT	
15,000 DWT (Lakes)	
<u>\$2,200,000</u>	
Daily - 20 yrs.	
335 day/year	
<u>\$4,000,000</u>	
Daily - 20 yrs.	
335 day/year	

Depreciation 7%	\$ 328.36	\$ 597.01
Interest 5%	119.33	216.96
Organization, etc.	20.12	34.22
Insurance	108.58	166.12
Repairs & Surveys	168.66	193.87
Portage		
Basic Wages	140.00	146.87
Overtime	23.65	24.95
Clerical	.89	.89
Travelling (crews)	8.51	8.96
Master Shore Allowance	.81	.81
Leave Pay	7.85	8.36
Leave Pay Subsistence	1.33	1.42
Sick Pay (E)	1.42	1.49
Pension Fund	2.76	2.99
B.N. Insurance	5.36	5.72
Provisions	49.25	52.24
Stores	45.37	72.09
Superintendence	11.94	11.94
Miscellaneous	22.28	22.78
	<u>\$1,066.47</u>	<u>\$1,569.69</u>
Administration & General	35.82	35.82
	<u>\$1,102.29</u>	<u>\$1,605.51</u>

Administration & General	35.82
	<u>\$1,102.29</u>
Great Lakes Additional (Basis 185 days trading)	
Insurance	\$ 10.76
Provisions	18.00
Stores	4.86
Miscellaneous	3.78
Wage - (Separately in estimates	-
(E - Estimated)	<u>\$ 37.40</u>

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9,000 D.W.T. Vessel
 Fort William, Kingston, Fort William
310,000 Bus. of Grain (to Kingston)

\$2,200,000	\$2,550,000	T/C
or (1955)	or (1959)	at \$4.00
\$1,102	\$1,192	\$1,221
<u>per day</u>	<u>per day</u>	<u>per day</u>

Vessel's Cost:

11.9 days (Deep Sea Trade) (\$1,102)	\$13,115	(\$1,192)	\$14,185	(\$1,221)	\$14,530
11.9 " (Lake Trading) (38)	450	(39)	465*	(39)	465
11.9 " (Lake Trading) (30)	360	(30)	360	(30)	360
(Add. Wages)					
	<u>\$13,925</u>		<u>\$15,010</u>		<u>\$15,355</u>
1/2 days Delay Allowance	585		630		645

Fuel:

132 tons Diesel at \$42.00 per ton \$ 5,545	\$ 5,545	\$ 5,545
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Misc. Expenses:

Fort William	50	50	50
Lake Master	300	300	300
Welland Canal	60	60	60
Kingston	50	50	50
Crew O/Time Canals	40	40	40
Incidentals	<u>25</u>	<u>25</u>	<u>25</u>
Total	\$20,580	\$21,710	\$22,070

Cost per Bu. (310,000 Bus.)	6.639¢	7.003¢	7.119¢
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*Add. Cost to
 compensate for
 Lake Trading

Time FactorsSteaming

	<u>Miles</u>	<u>Full</u>	<u>Reduced</u>	<u>Port</u>	<u>Total</u>
Fort William				36 hrs	36 hrs
to	1045	51 hrs	56 hrs		107 "
Kingston				36 "	36 "
to	1045	51 "	56 "		107 "
Fort William					
	<u>2090</u>	<u>102 hrs</u>	<u>112 hrs</u>	<u>72 hrs</u>	<u>286 hrs</u>

Fuel Consumed

In loaded condition	(20 tons per day)	42.3 tons
In ballast "	(16 " " ")	34.0 "
In reduced speed operating	(10 " " ")	46.7 "
		<u>123.0 tons</u>
In Port	(3 " " ")	9.0 "
Total fuel for voyage		<u>132.0 tons</u>

(Continued)



Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9,000 ton vessel, and 13 tons per day in the case of the 18,500 ton vessel for these operations for estimating purposes.

March 1, 1956.

15,000 DWT Vessel (Lake Trading)
 Fort William, Kingston, Fort William
516,000 Bu. of Grain (to Kingston)

Vessel's Cost or Time Charter Rate

\$4,000,000 or (1955) \$1,606 <u>per day</u>	\$4,600,000 or (1959) \$1,757 <u>per day</u>	T/c at \$3.75 \$2,183 <u>per day</u>
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Vessel's Cost:

13.4 days (Deep Sea Trade) (\$1,606)	\$21,520	(\$1,757)	\$23,545	(\$2,028)	\$27,070
13.4 " (Lake Trading) (50)	670	(54)	670	(54)*	670
13.4 " (Add. Wages) (33)	440	(33)	440	(33)	440
(Lake Trading)					
	<u>\$22,630</u>		<u>\$24,655</u>		<u>\$28,180</u>

1/2 days Delay Allowance	845		920		1,060
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Fuel:

179 tons at \$42.00 per ton	\$ 7,520		\$ 7,520		\$ 7,520
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Misc. Expenses:

Fort William	50		50		50
Lake Master	300		300		300
Welland Canal	60		60		60
Kingston	50		50		50
Crew O/Time Canals	40		40		40
Incidentals	<u>25</u>		<u>25</u>		<u>25</u>
Total	<u>\$31,520</u>		<u>\$33,620</u>		<u>\$37,285</u>

Cost per Bu. (516,000 Bus.)	6.109¢		6.515¢		7.226¢
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*Add. Cost to
 Compensate for Lake Trading.

Time Factors

	<u>Miles</u>	<u>Full</u>	<u>Reduced</u>	<u>Port</u>	<u>Total</u>
Fort William				54 hrs	54 hrs
to	1045	51 hrs	56 hrs		107 hrs
Kingston				54 "	54 "
to	1045	51 "	56 "		107 "
Fort William)	
	2090	102 hrs	112 hrs	108 hrs	322 hrs
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

(Continued)

<u>Fuel Consumed</u>		
In loaded condition	(26 tons per day)	55.0 tons
In ballast "	(21 " " ")	45.0 "
In reduced speed operating	(13 " " ")	61.0 "
		<hr/>
		161.0 tons
In Port	(4 " " ")	18.0 "
		<hr/>
Total fuel for voyage		179.0 tons
		<hr/> <hr/>

Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9,000 ton vessel, and 13 tons per day in the case of the 18,500 ton vessel for these operations for estimating purposes.

March 1, 1956.

9,000 DWT VESSEL
 Seven Islands, Montreal (B), Ashtabula, Seven Islands
8,595 Tons Iron Ore (to Ashtabula)

	<u>Vessel's Cost or Time Charter Rate</u>		
	\$2,200,000 or (1955)	\$2,550,000 or (1959)	\$Time Charter at \$4.00
	<u>\$1,102 per day</u>	<u>\$1,192 per day</u>	<u>\$1,221 per day</u>
<u>Vessels Cost</u>			
10.4 days (Deep Sea Trade) (\$1,102)	\$11,460.	(\$1,192) \$12,395.	(\$1,221) \$12,700.
10.4 days (Lakes Trading) (38)	395.	(39) 405.	(39) 405.
10.4 days (Add. wages) (30)	310.	(30) 310.	(30) 310.
(Lakes Trading)			
	<u>\$12,165.</u>	<u>\$13,110.</u>	<u>\$13,415.</u>
1/2 day allowance delays	585.	630.	645.
<u>Fuel</u>			
134 tons at \$37.50 per ton	5,025.	5,025.	5,025.
<u>Miscellaneous</u>			
Seven Islands (in & out)	450.	450.	450.
Montreal (B)	300.	300.	300.
Canal Pilots	120.	120.	120.
Lake Master	195.	195.	195.
Welland Canal	60.	60.	60.
Ashtabula	50.	50.	50.
Crew O/Time Canals	150.	150.	150.
Seven Islands	-	-	-
Total	<u>\$19,100.</u>	<u>\$20,090.</u>	<u>\$20,410.</u>
 **Cost per ton (8,595 tons)	 <u>\$2.222</u>	 <u>\$2.337</u>	 <u>\$2.375</u>

Note: No allowance made for Seaway tolls *Add. cost to compensate for
 ** Ton - 2240 lbs. Lakes Trading

Time Factors

	<u>Miles</u>	<u>Steaming</u>		<u>Port</u>	<u>Total</u>
		<u>Full</u>	<u>Reduced</u>		
Seven Islands				12 hrs.	12 hrs.
To	970	55 hrs.	58 hrs.		113 hrs.
Ashtabula				12 hrs.	12 hrs.
to	970	55 hrs.	58 hrs.		113 hrs.
Seven Islands					
	<u>1,940</u>	<u>110 hrs.</u>	<u>116 hrs.</u>	<u>24 hrs.</u>	<u>250 hrs.</u>

(Continued)

	<u>Fuel Consumed</u>	
In loaded condition	(20 tons per day)	46.0 Tons
In ballast condition	(16 " " ")	36.7 Tons
in reduced speed operating	(10 " " ")	<u>48.3 "</u>
		131.0 "
In Port	(3 " " ")	<u>3.0 "</u>
		134.0 "
		<u><u>-</u></u>

Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9,000 ton vessel, and 13 tons per day in the case of the 18,500 ton vessel for these operations for estimating purposes.

B - Bunkering

1/3/56.

15,000 DWT Vessel (Lakes Trading)Seven Islands, Montreal (B) Ashtabula, Seven Islands14,545 tons Iron Ore (to Ashtabula)Vessel's Cost or Time Charter Rate

\$4,000,000 or (1955) \$1,606 per day	\$4,600,000 or (1959) \$1,757 per day	Time Charter at \$2.35 \$2,183 per day
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Vessel's Cost

11.0 days (Deep Sea Trade) (\$1,606)	\$17,665.	(\$1,757)	\$19,325.	(\$2,208)	\$22,310.
11.0 " (Lakes Trading) (\$ 50)	550.	(54)	595. (* 54)		595.
11.0 " (Add Wages) (33)	365.	(33)	365.	(33)	365.
(Lakes Trading)					
	<u>\$18,580.</u>		<u>\$20,285.</u>		<u>\$23,270.</u>
1/2 day delay allowance	845		920		1,060.

Fuel:

177.1 tons \$37.50 per ton	6,640	6,640	6,640
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Miscellaneous Expenses

Seven Islands (in & out)	450	450	450
Montreal (B)	300	300	300
Canal Pilots	120	120	120
Lake Masters	195	195	195
Welland Canal	60	60	60
Ashtabula	50	50	50
Crew O/Time Canals	150	150	150
Seven Islands	-	-	-

Total:	<u>\$27,390</u>	<u>\$29,170</u>	<u>\$32,295</u>
--------	-----------------	-----------------	-----------------

Cost per ton (14,545 tons)	<u>\$ 1,883</u>	<u>\$ 2,006</u>	<u>\$ 2,220</u>
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No allowance made for Seaway Tolls *Add cost to compensate Lakes Trading

Time FactorsSteaming

	<u>Miles</u>	<u>Full</u>	<u>Reduced</u>	<u>Port</u>	<u>Total</u>
Seven Islands				20 hrs.	20 hrs.
to	970	55 hrs.	58 hrs.		113 hrs.
Ashtabula				20 hrs.	20 hrs.
to	970	55 hrs.	58 hrs.		113 hrs.
Seven Islands	<u>1940</u>	<u>110 hrs.</u>	<u>116 hrs.</u>	<u>40 hrs.</u>	<u>266 hrs.</u>

(Continued)

Fuel Consumed

In loaded condition	(26 tons per day)	59.6	Tons
In ballast condition	(21 tons per day)	48.1	"
In reduced speed operating	(13 tons per day)	<u>62.8</u>	"
		170.5	"
In Port	(4 tons per day)	<u>6.6</u>	"
		<u>177.1</u>	"

Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9000 ton vessel, and 13 tons per day in the case of the 18,500 ton vessel for these operations for estimating purposes.

1/3/56

(B - Bunkering)

9,000 DWT Vessel
Ashtabula, Montreal, Ashtabula
8,680 Tons Coal (to Montreal)

Vessel's Cost or Time Charter Rate

\$2,200,000 or \$1,102 <u>per day.</u>	\$2,550,000 or \$1,192 <u>per day.</u>	Time Charter at \$4.00 \$1,271 per <u>day.</u>
--	--	---

Vessels Cost

8.3days(Deep Sea Trade)(\$1,102)	\$ 9,145	(\$1,192)	\$ 9,895(\$,221)	\$10,135
8.3days(Lakes Trade)	(38) 315	(39)	325 * (39)	325
8.3days(Add. wages)	(30) 250	(30)	250 (30)	250
(Lakes Trade)				

	<u>\$ 9,710</u>		<u>\$10,470</u>	<u>\$10,710</u>
1/2 day allowance delays	585		630	645
Fuel				
84.4 tons at \$37.50	3,165		3,165	3,165

Miscellaneous

Ashtabula	50		50	50
Welland Canal	60		60	60
Canal Pilots	120		120	120
Lake Masters	195		195	195
Crew O/Time Canals	150		150	150
Montreal	<u>225</u>		<u>225</u>	<u>225</u>
	<u>\$ 14,260</u>		<u>\$15,065</u>	<u>\$15,320</u>

** Cost per ton (8,680 tons)	\$ <u>1.643</u>	\$ <u>1.736</u>	\$ <u>1.765</u>
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No allowance made for Seaway tolls

** Ton - 2240 lbs.

* Add. Cost to compensate for
Lakes Trading.

Time Factors
Steaming

	<u>Miles</u>	<u>Full</u>	<u>Reduced</u>	<u>Port</u>	<u>Total</u>
Ashtabula				12 hrs.	12 hrs.
to	480	18 hrs.	63-1/2 hrs.		81-1/2 hrs.
Montreal				24 "	24 hrs.
to	480	18 hrs.	63-1/2 hrs.		81-1/2 hrs.
Ashtabula					
	960	36 hrs.	127 hrs.	36 hrs.	199 hrs.
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

(Continued)

Fuel Consumed

In loaded condition	(20 tons per day)	15.0 Tons
" ballast "	(16 " " ")	12.0 "
" reduced speed operation	(10 " " ")	<u>52.9 "</u>
		79.9 "
In port	(3 " " ")	<u>4.5 "</u>
Total		<u><u>84.4 "</u></u>

Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9000 ton Vessel and 13 tons per day in the case of the 18,500 ton Vessel for these operations for estimating purposes.

29 Feb. /56

15,000 DWT Vessel (Lakes Trading)
Ashtabula, Montreal, Ashtabula
14,645 Tons Coal (to Montreal)

Vessel's Cost or Time Charter Rate

	\$4,000,000 or \$1,606 per day	\$4,600,000 or \$1,757 per day	Time Charter at \$3.25 \$2,183 per day
<u>Vessel's Cost</u>			
9.3days(Deep Sea Trade) (\$1,606)	\$14,935	(\$1,757) \$16,340	(\$2,028) \$18,860
9.3days(Lakes trade)	(50) 465	(54) 500	(54) 500
9.3days(Add. wages) (Lakes trade)	(33) 310	(33) 310	* (33) 310
	<u>\$15,710</u>	<u>\$17,150</u>	<u>\$19,670</u>
1/2 day daily allowance	845	920	1,060
<u>Fuel:</u>			
114 tons at \$37.50 per ton	4,275	4,275	4,275
<u>Miscellaneous</u>			
Ashtabula	50	50	50
Welland Canal	60	60	60
Canal Pilots	120	120	120
Lake Masters	195	195	195
Crew O/Time Canals	150	150	150
Montreal	<u>300</u>	<u>300</u>	<u>300</u>
Total	<u>\$21,705</u>	<u>\$23,220</u>	<u>\$25,880</u>
** Cost per ton (14.645 tons)	\$ 1.482	\$ 1.586	\$ 1.767

** Ton - 2240 lbs. * Add cost to compensate for lakes trading.

No allowance for Seaway Tolls.

Time Factors

	<u>Miles</u>	<u>Full</u>	<u>Reduced</u>	<u>Port</u>	<u>Total</u>
Ashtabula					
to	480	18 hrs.	63-1/2 hrs.	20 hrs.	20 hrs.
Montreal					81-1/2 hrs.
to	480	18 "	63-1/2 "	41 "	41 hrs.
Ashtabula					81-1/2 hrs.
	<u>960</u>	<u>36 hrs.</u>	<u>127 hrs.</u>	<u>61 hrs.</u>	<u>224 hrs.</u>

(Continued)

Fuel Consumed

In loaded condition	(26 tons per day)	19.5 Tons
In ballast "	(21 tons per day)	15.7 Tons
In reduced speed operating	(13 " " ")	<u>68.8 Tons</u>
		104.0 "
In port	(4 " " ")	<u>10.0</u>
		<u>114.0 Tons</u>

Reduced speed operating time includes time taken to pass through canals, locks, also approaching and leaving ports, bunkering and all other times when vessel is unable to operate at maximum speed.

We have assumed overall consumption at the rate of 10 tons per day in the case of the 9000 ton Vessel and 13 tons per day in the case of the 18,500 ton Vessel for these operations for estimating purposes.

29 Feb./56

OPERATING COST - 20 YEAR PERIOD (A)Motor Vessel 9,000 D.W.T. - 5,000 H.P. 14 Knots on 20 Tons Diesel

	<u>20 Year Total</u>	<u>Daily Cost Basis 6700 Days</u>
1. (A) Capital Cost \$2,200,000.		
(B) Amortization period 20 years		
(C) Depreciation method 7% Straight line	\$2,200,000.	\$ 328.36
(D) Interest @ 5%	799,495.	119.33
(E) Organization, interest during construction, supervising	<u>134,800.</u>	<u>20.12</u>
	\$3,134,295.	\$ 467.81
2. (A) 335 days per year (30 days repairs, survey & deviation) daily cost	<u>---</u>	<u>\$ 467.81</u>
3. ITEM 1 (E)	\$3,134,295.	\$ 467.81
(A) Insurance	727,400.	108.58
(B) Repairs & Surveys	1,130,000.	168.66
(C) Portage	1,290,300.	192.58
(D) Provisions	330,000.	49.25
(E) Stores	304,000.	45.37
(F) Superintendence	80,000.	11.94
(G) Miscellaneous	<u>149,300.</u>	<u>22.28</u>
Totals	<u>\$7,145,295.</u>	<u>\$1,066.47</u>

ADDITIONAL EXPENSES - GREAT LAKES TRADING

	<u>Yearly</u>	<u>Daily Cost (185 d. year)</u>
Insurance	\$ 1,990.	\$ 39,800.
Portage (Separate charge in Estimates)		\$ 10.76
Provisions	3,330.	66,600.
Stores	900.	18,000.
Miscellaneous	<u>700.</u>	<u>14,000.</u>
Total	<u>\$ 6,920.</u>	<u>\$138,400.</u>
Daily Cost (185 days)	<u>\$ 37.40</u>	<u>\$ 37.40</u>

23/2/56

ORGANIZATION & CONSTRUCTION - \$2,200,000 Vessel

Organization	\$ 5,000
Yearly Expenses - re loan etc. \$1,000 for 14.3 years	14,300
Interest during construction	
1956 Jan. 1st 20% of cost on signing contract @ 5% per annum	66,000
1958 Jan. 1st 20% of cost on laying keel @ 5% per annum	22,000
1958 Apr. 1st 20% of cost on framing @ 5% per annum	16,500
1958 July 1st 20% of cost on launching @ 5% per annum	11,000
1958 Dec. 31st Final payment on delivery	-
Total	<u>\$ 134,800</u>
Cost per year basis 14.3 years	<u>\$ 9,426.57</u>
Say	<u>\$ 9,425</u>

Feb. 22/56

INSURANCE (Norwegian Trading Limits)\$2,200,000 - Value

P & I \$1,100,000 Value	
<u>401,335</u> 5,500 G.R.T. @ \$72.97 P.G.R.T.	
5,500 G.R.T. @ 87-1/2¢ P.G.R.T.	\$ 4,355.
<u>\$ 698,665</u> Excess @ .06% Less 9-1/2%	380.
H. & M. \$ 1,760,000 @ 1 5/8% less 9-1/2%	25,885.
440,000 @ 3/4% less 9-1/2%	2,980.
War Risk \$2,200,000* @ 12¢ % Plus 5%	<u>2,770.</u>
Total	<u>\$36,370.</u>

(Continued)

When used - Great Lakes Trading

P & I.	\$1,100,000	Value		
	<u>401,335</u>	5,500 G.R.T. @ \$72.97	P.G.R.T.	
		5,500 G.R.T. @ 87-1/2¢	P.G.R.T. Less 9-1/2%	4,355.
	<u>\$ 698,665</u>	Excess @ .06%	Less 9-1/2%	380.
H. & M.	\$1,760,000	@ 1 3/4%	Less 9-1/2%	27,875.
	440,000	@ 3/4%	Less 9-1/2%	2,980.
War Risk	\$2,200,000	* @ 12¢ %	Plus 5%	<u>2,770.</u>
		Total		<u>\$38,360.</u>

* - 12¢ per \$100. value

Note : War Risk in Great Lakes is reduced by 5¢ per \$100. value.
No allowance included in above calculations.

4/2/56

R E P A I R S U R V E Y9,000 D.W.T.

<u>YEAR</u>	<u>QUADRENNIAL</u>	<u>ANNUAL</u>	<u>VOYAGE END</u>	<u>TOTAL</u>
1.	\$ 5,000	\$ 20,000	\$ 12,000	\$ 37,000
2.	5,000	25,000	12,000	42,000
3.	5,000	25,000	12,000	42,000
4.	5,000	25,000	12,000	37,000
5.	7,000	27,000	15,000	49,000
6.	7,000	27,000	15,000	49,000
7.	7,000	27,000	15,000	49,000
8.	7,000	22,000	15,000	44,000
9.	10,000	30,000	18,000	58,000
10.	10,000	30,000	18,000	58,000
11.	10,000	30,000	18,000	58,000
12.	10,000	30,000	18,000	58,000
13.	10,000	30,000	20,000	60,000
14.	10,000	32,000	20,000	62,000
15.	10,000	32,000	20,000	62,000
16.	10,000	35,000	20,000	65,000
17.	12,000	40,000	20,000	72,000
18.	12,000	40,000	20,000	72,000
19.	12,000	40,000	20,000	72,000
20.	<u>12,000</u>	<u>52,000</u>	<u>20,000</u>	<u>84,000</u>
	\$176,000	\$614,000	\$340,000	\$1130,000
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

6/2/56

PORTAGE - BILL.

2,000 D.W.T.

5,500 G.R.T.

	Basic	Pension	Unemployment	Great Lakes Trade	Leave Pay Substitutes(sic)	TOTAL	Portage Year Expenses	
Master	\$125-00-00	\$6-05-00	\$1-10-00	\$6-00-00	\$7-04-00	\$146-8-0	Clerical	\$ 300.
Chief Officer	62-12-06	3-02-00	1-10-00	6-00-00	3-12-00	77-5-6	Travelling Exp.	2850.
2nd Officer	48-15-00	2-08-09	1-10-00	6-00-00	2-16-00	61-18-9	Master Shore	
3rd Officer	38-10-00	1-18-00	1-10-00	6-00-00	2-04-00	50-11-0	all. etc.	275.
Radio Operator	44-07-06	2-04-02	1-10-00	6-00-00	2-12-00	56-17-8	Leave Pay	2625.
7 AB's	220-10-10	-	10-10-00	42-00-00	12-02-00	287-11-10	Leave Pay	
2 O.S.	41-05-00	-	3-00-00	12-00-00	2-06-00	59-05-0	Subts.	440.
Bosun	35-00-00	-	1-10-00	6-00-00	1-18-00	44-15-00	Sick Pay (E)	475.
Carpenter	37-07-06	-	1-10-00	6-00-00	2-00-00	47-04-6	Pension Fund	925.
							B.N. Insurance	1800.
Chief Engineer	81-00-00	4-01-00	1-10-00	6-00-00	4-13-04	97-04-4		\$ 5690.
2nd Engineer	62-12-06	3-02-00	1-10-00	6-00-00	3-12-00	77-05-6	Basic Wages	46900.
3rd Engineer	48-15-00	2-08-09	1-10-00	6-00-00	2-16-00	61-18-9	Overtime	7925.
4th Engineer	39-12-06	1-19-09	1-10-00	6-00-00	2-06-00	51-17-3		\$64515.
3 Asst. Engineers	105-00-00	-	4-10-00	18-00-00	5-15-00	133-14-0		
3 Greasers	97-10-00	-	4-10-00	18-00-00	5-07-00	126-08-0		
Donkeyman	34-00-00	-	1-10-00	6-00-00	1-17-00	44-08-0		
Electrician	45-12-06	-	1-10-00	6-00-00	2-10-00	55-19-6	E - Estimated	
Chief Steward	41-17-06	-	1-10-00	6-00-00	2-06-00	52-00-6		
2nd Steward	31-00-00	-	1-10-00	6-00-00	1-14-00	40-11-0		
Chief Cook	38-12-06	-	1-10-00	6-00-00	2-02-00	48-11-6		
2nd Cook	31-00-00	-	1-10-00	6-00-00	1-14-00	40-11-0		
2 Messmen	61-00-00	-	3-00-00	12-00-00	3-07-00	80-1-0		
2 Cabin Boys	27-10-00	-	3-00-00	9-00-00	1-10-00	41-14-0		

\$1398-05-10	\$27-09-05	\$54-06-00	\$213-00-00	\$78-03-04	\$13-03-00	\$1784-01-07
\$3,915.21	\$76.92	\$151.20	\$596.40	\$218.87	\$36.82	\$4,955.42

Can. Cur. @ \$2.80

NOTE Great Lakes trade allowance not included in Portage. Separate charge to be made in Estimates.

6/2/56



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PROVISIONS 9,000 D.W.T.

Daily cost per man	\$ 1.25 per day
	<u>36 Men</u>
	\$ 45.
	<u>365. days</u>
	\$16,425
	<u><u> </u></u>

For estimating purposes)	
for a year, crew of 36 men)	<u><u>\$16,500.</u></u>

Cost when Great Lakes Trading

For each man in crew allow 50¢ C.C. additional

Daily cost per man	\$ 1.75 per day
	<u>36 Men</u>
	\$63.
	<u>365 days</u>
	<u><u>\$22,995.</u></u>

For estimating purposes)	
for a year, crew of 36 men)	<u><u>\$23,000</u></u>

4/2/56

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STORES - 9,000 DWT.

As per Vessel M

Deck	\$6,500.
Engine	5,500.
Steward	3,200.
	<u>\$15,200.</u>

Great Lakes Trading

Deck stores plus 25% for ropes, wires, etc.

Per Year	\$ 1,625.
For 185 days	<u>\$ 900.</u>

4/2/56

SUPERINTENDENCE

Superintendent - Salary £1,000 per annum	\$2.80	\$ 2,800
Travelling, etc., per annum		<u>1,200</u>
		<u>\$ 4,000</u>

3/2/56

M I S C E L L A N E O U S - 9,000 D.W.T.

Radio-Radar	\$ 2,130.
Laundry	2,275.
Water	1,500.
Medical Stores & Attention	950.
Entertaining	600.
	<u>\$ 7,465.</u>

Great Lakes Trading

Radio-Radar - No increase	
Laundry - 15% increase:	\$ 28.
Water - No increase	
Med. Stores & Attention - No increase	
Entertaining - Increase per month:	40.
Extra Meals Gratuities:	<u>45.</u>
	<u>\$ 113.</u>

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9,000 DWT - COSTING \$2,550,000.

Interest @ 5% - 7% straight line depreciation

Year	Depreciation	Interest 5%	Organiza- tion, etc.	* Operating Expenses	Total Cost	Average 20 years or 6700 days
1	\$ 178,500.	\$124,155.	\$10,710.	\$ 186,185.		-
2	178,500.	115,225.	10,710.	191,185.		-
3	178,500.	106,305.	10,710.	191,185.		-
4	178,500.	97,375.	10,710.	186,185.		-
5	178,500.	88,455.	10,710.	198,185.		-
6	178,500.	79,525.	10,710.	198,185.		-
7	178,500.	70,605.	10,710.	198,185.		-
8	178,500.	61,675.	10,710.	193,185.		-
9	178,500.	52,755.	10,710.	207,185.		-
10	178,500.	43,825.	10,710.	207,185.		-
11	178,500.	34,905.	10,710.	207,185.		-
12	178,500.	25,975.	10,710.	207,185.		-
13	178,500.	17,055.	10,710.	209,185.		-
14	178,500.	8,125.	10,710.	211,185.		-
15	51,000.	720.		211,185.		-
16	-	-		214,185.		-
17	-	-		221,185.		-
18	-	-		221,185.		-
19	-	-		221,185.		-
20	-	-		233,185.		-
<hr/>						
	\$2,550,000.	\$926,680.	\$153,175.	\$4,113,700.	\$7,743,555.	\$1,156.

ADDITIONAL EXPENSES
GREAT LAKES TRADING -

Insurance	\$2,310.
Portage (Separate charge in Voyage estimat)	-
Provisions	3,330.
Stores	900.
Miscellaneous	700.
Total	<u>\$7,240.</u>
Daily Cost basis 185 days trading	<u>39.</u>

* Cost same as vessel valued @ \$2,200,000. except increase in Insurance Premiums.

3/2/56



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TIME CHARTERED 9,000 D.W.T. @ \$4.00 per D.W.T.

<u>Hire:</u> 9,000 D.W.T. @ \$4.00 per D.W.T.	\$36,000.
<u>Insurance:</u> Charterers P. & I.	100.
Deductibles	
Charterers P. & I. \$15,000 Bulk	30.
<u>Repairs:</u>	30.
<u>Superintendence:</u>	60.
<u>Gratuities</u> - Officers:	180.
<u>Overtime</u> - Crew:	175.
<u>Master Shore Allowance, etc.:</u>	35.
<u>Extra Meals, Entertaining, Miscellaneous:</u>	<u>30.</u>
Total:	<u>\$36,640.</u>
Daily Cost:	<u>\$ 1,221.</u>

ADDITIONAL EXPENSESGreat Lakes Trading

<u>Hire:</u> Insurance)	\$ 1,150.
Provisions)	
Stores)	
Laundry)	
<u>Overtime:</u> - Charged separately in estimate	-
<u>Extra Meals, Entertaining, Miscellaneous:</u>	<u>30.</u>
Total:	<u>\$ 1,090.</u>
Daily Cost:	<u>\$ 39.</u>

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OPERATING COST - 20 YEAR PERIOD - (B)

Motor Vessel abt. 15,000 D.W.T. (Lakes) 18,500 D.W.T. 6,500 H.P. -
14 Knots - 26 Tons Diesel

	<u>20 Year Total</u>	<u>Average Per Day For 20 Year Period Basis 6700 Days</u>
1. (A) Capital Cost \$4,000,000		
(B) Amortization period 20 years		
(C) Depreciation on Method 7% straight line	\$4,000,000.	\$ 597.01
(D) Interest @ 5%	1,453,625.	216.96
(E) Organization, interest during construction, supervising	<u>229,300.</u>	<u>34.22</u>
	\$5,682,925.	\$ 848.19
2. (A) 335 days per year (30 days repairs, survey & deviation) Cost per day (335 days)	<u>-</u>	<u>\$ 848.19</u>
3. ITEM 1 (E)	\$ 5,682,925.	\$ 848.19
(A) Insurance	1,113,000.	166.12
(B) Repairs & Surveys	1,298,960.	193.87
(C) Portage	1,356,500.	202.46
(D) Provisions	350,000.	52.24
(E) Stores	483,000.	72.09
(F) Superintendence	80,000.	11.94
(G) Miscellaneous	<u>152,600.</u>	<u>22.78</u>
Total	<u>\$10,516,985.</u>	
Daily Cost 335 days		<u>\$ 1,569.69</u>

Additional Expense - Great Lakes Trading

		<u>Daily Cost (185 d. year)</u>
Insurance	\$ 54,300.	\$ 14.68
Portage (Separate Charge in Voyage Estimates)		
Provisions	70,300.	19.00
Stores	44,000.	11.89
Miscellaneous	<u>15,500.</u>	<u>4.19</u>
	<u>\$ 184,100.</u>	
Daily cost 185 days trading		<u>\$ 49.76</u>

23/2/56



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ORGANIZATION & CONSTRUCTION - \$4,000,000 Vessel

Organization	\$ 5,000
Yearly Expenses - re loan, etc. \$1,000 for 14.3 years	14,300
Interest during construction:	
1956 Jan. 1st 20% of cost on signing contract at 5% per annum	120,000
1958 Jan. 1st 20% of cost on laying keel at 5% per annum	40,000
1958 Apr. 1st 20% of cost on framing at 5% per annum	30,000
1958 July 1st 20% of cost on launching at 5% per annum	20,000
1958 Dec. 31st Final payment on delivery	-
TOTAL	<u>\$ 225,300</u>
Cost per year basis 14.3 years	<u>\$ 16,034.96</u>
May Feb. 22/56	<u>\$ 16,035</u>

INSURANCE (Norwegian Trading Limits
\$ 4,000,000

P. & I. \$2,000,000 Value	
- 766,185 = 10,500 G.R.T. (at \$72.97 P.G.R.T.	
(at 87 1/2¢ P.G.R.T. less 9 1/2%	\$ 8,315
\$1,233,815 = excess at .06% less 9 1/2%	670
H. & M. \$3,280,000 at 1 1/4% less 9 1/2%	37,105
\$ 800,000 at 5/8% less 9 1/2%	4,525
War Risk \$4,000,000 at 12% plus 5%	5,040
	<u>\$55,650</u>
Say -	<u>\$55,650</u>

When used Great Lakes Trading (Norwegian Trading Limits with Lake Trading

P. & I. \$2,000,000 Value	
- 766,185 = 10,500 G.R.T. (at 72.97 P.G.R.T.	
(at 87 1/2¢ P.G.R.T. less 8 1/2%	\$ 8,315
\$1,233.815 = Excess at .06% less 9 1/2%	670
Hull - \$3,200,000 at 1-3/8% less 9 1/2%	39,820
800,000 at 5/8% less 9 1/2%	4,520
W/R - \$4,000,000 at 12¢ per \$100 value plus 5%	5,040
	<u>\$58,365</u>

Note: War Risk in Great Lakes is reduced by 5¢ per \$100 value.
No allowance included in above calculation.

3/2/56



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Repairs & Surveys - 15,000 DWT (Lakes)

<u>Year</u>	<u>Quadrennial</u>	<u>Annual</u>	<u>Voyage End</u>	<u>Total</u>
1	\$ 5,750	\$ 23,000	\$ 13,800	\$ 42,550
2	5,750	28,750	13,800	48,300
3	5,750	28,750	13,800	48,300
4	5,750	23,000	13,800	42,550
5	8,050	31,050	17,250	56,350
6	8,050	31,050	17,250	56,350
7	8,050	31,050	17,250	56,350
8	8,050	24,760	17,250	50,060
9	11,500	34,500	20,700	66,700
10	11,500	34,500	20,700	66,700
11	11,500	34,500	20,700	66,700
12	11,500	34,500	20,700	66,700
13	11,500	34,500	23,000	69,000
14	11,500	36,800	23,000	71,300
15	11,500	36,800	23,000	71,300
16	11,500	40,250	23,000	74,750
17	13,800	46,000	23,000	82,800
18	13,800	46,000	23,000	82,800
19	13,800	46,000	23,000	82,800
20	<u>13,800</u>	<u>59,800</u>	<u>23,000</u>	<u>96,600</u>
	<u>\$202,400</u>	<u>\$705,560</u>	<u>\$391,000</u>	<u>\$1298,960</u>

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15,000 D.W.T. - 10,500 G.R.T. per Month - British Crew (N.M.B.)

	Great Lakes			Leave Pay			TOTAL	Portage	
	Basic	Pension	Unemployment	Trade	Subsistence	Leave Pay		Yearly Expenses	
Master	\$145,00.00	\$7.05.00	\$1.10.00	\$6.00.00	\$8.07.00	\$	\$168.11.00	Clerical	\$ 300
Chief Officer	64,07.06	3.04.03	1.10.00	6.00.00	3.14.00		79. 4. 2	Travelling Exp.	3,000
Second Officer	50.02.06	2.11.00	1.10.00	6.00.00	2.17.00		63. 9. 6	Masters' Shore	275
Third Officer	38.10.00	1.18.00	1.10.00	6.00.00	2.04.00		50.11. 0	All., etc.	2,800-
Radio Operator	44.02.06	2.04.02	1.10.00	6.00.00	2.12.00		56.17. 8	Leave Pay	
7 A.B.'s	220.10.00	-	10.10.00	42.00.00	12.02.00	2.09.00	287.11. 0	Leave Pay Sub-	475-
2 O.S.'s	41.05.00	-	3.00.00	12.00.00	2.06.00	14.00	59. 5. 0	sistence	500
2 Jr. O.S.'s	35.10.00	-	3.00.00	12.00.00	1.19.00	14.00	53. 3. 0	Sick Pay	1,000
Bosun	35.00.00	-	1.10.00	6.00.00	1.18.00	07.00	44.15. 0	Pension Fund	1,915
Carpenter	37.07.06	-	1.10.00	6.00.00	2.00.00	07.00	47. 4. 6	B.N. Insurance	\$10,265
Chief Engineer	84.15.00	4.04.09	1.10.00	6.00.00	4.17.00	09.00	101.15. 9		45,200
Second Engineer	64.07.06	3.04.03	1.10.00	6.00.00	3.14.00	09.00	79. 4. 9	Basic Wages	8,360
Third Engineer	50.02.06	2.11.00	1.10.00	6.00.00	2.17.00	09.00	63. 9. 6	Overtime	
Fourth Engineer	39.12.06	1.19.09	1.10.00	6.00.00	2.06.00	1.01.00	51.17. 3	Total Portage	\$67,825
3 Asst. Engineers	105.00.00	-	4.10.00	18.00.00	5.15.00	1.01.00	134. 6. 0		
3 Greasers	97.10.00	-	4.10.00	18.00.00	5.07.00	07.00	126. 8. 0		
Donkeyman	34.00.00	-	1.10.00	6.00.00	1.17.00	07.00	43.14. 0		
Electrician	42.12.06	-	1.10.00	6.00.00	2.10.00	07.00	55.19. 6		
Chief Steward	41.17.06	-	1.10.00	6.00.00	2.06.00	07.00	52. 0. 6		
Second Steward	31.00.00	-	1.10.00	6.00.00	1.14.00	07.00	40.11. 0		
Chief Cook	38.12.06	-	1.10.00	6.00.00	2.02.00	07.00	48.11. 6		
Second Cook	31.00.00	-	1.10.00	6.00.00	1.14.00	14.00	40.11. 0		
2 Messmen	61.00.00	-	3.00.00	12.00.00	3.07.00	14.00	80.01. 0		
2 Cabin Boys	27.10.00	-	3.00.00	5.00.00	1.10.00	14.00	41.14. 0		
						\$14.04.00	2 1870.16. 2		
	\$11463.15.00	\$29. 2. 2	\$ 57.00.00	\$225.00.00	\$81.15.00	39.76	\$5,238.26		

Can. Cy @ \$2.80 \$ 4,098.50
Overtime 17% of Basic Wages = \$696.75

Note: Great Lakes trade allowance not included in total Portage Bill separate charge made in each estimate.



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15,000 D.W.T. (Lakes)Overtime

Basis on arriving at 17% used in calculations

R a t i n g s

<u>Vessel</u>	<u>Basic Wages</u>	<u>Overtime</u>
N	\$ 4,085.93	\$ 582.34
O	1,789.86	221.90
P	4,009.18 2,683.30	800.76 765.33
Q	5,636.75	901.49
R	5,768.89 5,437.16	1,055.54 973.86
S	<u>3,857.59</u>	<u>554.92</u>
	<u>\$42,796.83</u>	<u>\$7,243.45</u>

\$ 7,243.45 = 17% of \$42,796.83

When used Great Lakes Trading

Basis Vessel T Montreal to Lake Erie

Chief Officer	-)	
Second Officer	20 hrs.)		
Third Officer	25 hrs.)	Basis 3 days in Canals, excludes Lake	
3 A.B.'s	60 hrs.)		steaming
2 O.B.'s	43 hrs.)		
2 Deck Boys	40 hrs.)		

St. Lawrence Seaway - British Vessel

Chief Officer	35 hrs.)	Trip through	(21 hrs. @ 65¢ p.h. -	\$13.65
Second Officer	20 hrs.)	Canal to be	(12 hrs. @ 65¢ p.h. -	7.80
Third Officer	25 hrs.)	reduced by	(15 hrs. @ 65¢ p.h. -	9.75
6 A.B.'s	120 hrs.)	40% (E)	(72 hrs. @ 49¢ p.h. -	34.56
2 O.B.'s	43 hrs.)		(25 hrs. @ 35¢ p.h. -	<u>8.75</u>

\$74.00

Allow 10% for add. Pension,
Unemployment, Leave Pay, etc.)

7.40\$81.40



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PROVISIONS 15,000 D.W.T.

Daily cost per man	\$ 1.25
X	<u>38 men</u>
	47.50 per day
	<u>365 days</u>
	\$ 17,337.50 per year

For estimating purposes)
for year, crew of 38 men) say \$ 17,500

Cost when Great Lakes Trading

For each man in crew allow 50¢ C.C. additional.

Daily cost per man	\$ 1.75 per day
X	38 men
	<hr/> 66.50 per day
	365 days
	<hr/> \$ 24,272.50 per year

For estimating purposes) say \$ 24,500
for year, crew of 38 men)

3/2/56

STORES 15,000 D.W.T.

Deck - (Vessel U 1956 Cost)	\$ 12,000
Engine - (Vessel U 1956 Cost)	7,000
Steward - (Vessel U 1956 Cost)	<u>4,000</u>
	\$ 23,000
Plus 5% for larger vessel	<u>1,150</u>
	\$ 24,150

Cost when Great Lakes Trading

Deck (as above) plus 5%;	12,600
Plus 25% Canaling, Usage of Rope, Wires, etc.	3,150
Engine (as above)	7,350
Steward (as above)	<u>4,200</u>
	\$ 27,300

3/2/56



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Miscellaneous

Radio/Radar	
Laundry	\$ 2,130
Water	2,400
Medical Stores & Attention	1,500
Entertaining	1,000
	<u>600</u>
	<u>\$ 7,630</u>

When used in Great Lakes Trading

Basis 185 days' trading

Per Month

Radio-Radar - no increase	
Laundry - 15% increase	\$ 35
Water - no increase	
Medical Stores & Attention - no increase	
Entertaining - increase per month	40
Extra Meals, Gratuities, etc.	<u>45</u>
	<u>\$ 120</u>

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8,500 DWT. Costing \$4,600,000Interest @ 5% - 7% Straight Line Depreciation

Year	Depreciation	Interest 5%	Organiza- tion etc.	Operating Expenses	Total Cost	Average 20 years or 6700 days
1	\$322,000	\$223,960	\$18,240	\$227,740		-
2	322,000	207,865	18,240	233,490		-
3	322,000	191,760	18,240	233,490		-
4	322,000	175,665	18,240	227,740		-
5	322,000	159,560	18,240	241,540		-
6	322,000	143,480	18,240	241,540		-
7	322,000	127,385	18,240	241,540		-
8	322,000	111,260	18,240	235,240		-
9	322,000	95,165	18,240	251,890		-
10	322,000	79,060	18,240	251,890		-
11	322,000	62,965	18,240	251,890		-
12	322,000	46,860	18,240	251,890		-
13	322,000	30,765	18,240	254,190		-
14	322,000	14,660	18,240	256,490		-
15	92,000	1,295	5,440	256,490		-
16	-	-	-	259,940		-
17	-	-	-	267,990		-
18	-	-	-	267,990		-
19	-	-	-	267,990		-
20	-	-	-	281,790		-
	<u>\$4,600,000</u>	<u>\$1,671,665</u>	<u>\$260,800</u>	<u>\$5,002,750</u>	<u>\$11,535,215</u>	<u>\$1,722</u>

Additional ExpensesGreat Lakes Trading

<u>Insurance</u>	\$3,510
<u>Portage</u> (Separate charge in Voyage estimate)	-
<u>Provisions</u>	\$3,515
<u>Stores</u>	\$2,200
<u>Miscellaneous</u>	775
Total	<u>\$10,000</u>

* Cost same as vessel valued at \$4,000,00 except increase in Insurance Premiums. Daily cost basis 185 days trading

\$54

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INSURANCE (NORWEGIAN TRADING)\$ 4,600,000

P. & I. - \$ 2,300,000 Value	
- 766,185 = 10,500 G.R.T. (at \$72.97 P.G.R.T. (at 87 1/2¢ P.G.R.T. less 9 1/2%)	\$ 8,315
\$ 1,533,815 = excess at .06% less 9 1/2%	835
H. & M. \$ 3,840,000 at 1 1/4% less 9 1/2%	43,440
960,000 at 5/8% less 9 1/2%	5,700
War Risk \$ 4,600,000 at 12% plus 5%	5,795
	<u>\$64,085</u>

When Used Great Lakes Trading (Norwegian Trading Limits with Lake Trading)

P. & I. \$ 2,300,000 Value	
- 766,185 = 10,500 G.R.T. (at \$72.97 P.G.R.T. (at 87 1/2¢ P.G.R.T. less 9 1/2%)	\$ 8,315
H. & M. \$ 3,840,000 at 1 3/8% less 9 1/2%	47,785
960,000 at 5/8% less 9 1/2%	5,700
War Risk 4,600,000 at 12% plus 5%	5,795
	<u>\$67,595</u>

Note: War Risk in Great Lakes is reduced by 5¢ per \$100 value.
No allowance included in the above calculation.

3/2/56

ORGANIZATION AND CONSTRUCTION\$ 4,600,000

<u>Organization</u>	\$ 5,000
<u>Yearly Expenses</u> - re Loan, etc. \$1,000 for 14.3 years	\$14,300
<u>Interest during construction</u>	
1956 Jan. 1st 20% of cost on signing contract at 5% per annum	138,000
1958 Jan. 1st 20% of cost on laying keel at 5% per annum	46,000
1958 Apr. 1st 20% of cost on framing at 5% per annum	34,500
1958 July 1st 20% of cost on launching at 5% per annum	23,000
1958 Dec. 31st Final payment on delivery	-
TOTAL	<u>\$260,800</u>
Cost per year basis 14.3 years	<u>\$ 18,237.76</u>
Say	<u>\$ 18,240</u>

Feb./22/56.



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TIME CHARTERED 18,500 D.W.T. at \$ 3.25 per D.W.T.

	<u>Per Month</u>
<u>Hire:</u> 18,500 D.W.T. at \$ 3.25 per D.W.T.	\$ 60,125.
<u>Insurance:</u> Charterers P. & I.	200.
Deductibles	
Charterers P. & I. \$ 15,000 Bulk	30.
<u>Repairs:</u>	30.
<u>Superintendence:</u>	60.
<u>Gratuities</u> - Officers:	180.
<u>Overtime</u> - Crew	175.
<u>Master Shore Allowance, etc:</u>	35.
<u>Extra Meals, Entertaining:</u>	<u>30.</u>
Total:	<u>\$ 60,835.</u>
Daily Cost:	<u>\$ 2,028.</u>

Additional Expenses

Great Lakes Trading

<u>Hire:</u>	\$ 965.
<u>Insurance:</u>	440.
<u>Overtime</u> - Charges separately in estimate -	-
<u>Extra Meals, Entertaining, Miscellaneous:</u>	<u>90.</u>
Total:	<u>\$ 1,495.</u>
Daily Cost:	<u>\$ 50.</u>

6/2/56



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1 ---EXHIBIT 250: Letter from Mr. J.A. Wright, Solicitor
2 C.P.R., to Royal Commission on
3 Coasting Trade, April 18, 1956.

4 EXHIBIT NO. 250

5
6 CANADIAN PACIFIC RAILWAY COMPANY.
7 Law Department
8 366 Union Station

9 TORONTO 1,

10 April 18th, 1956.

11 Our file: 694

12 Mr. H.R. Kemp,
13 Economic Adviser,
14 Royal Commission on Coasting Trade,
15 490 Sussex Street,
16 Ottawa, Ont.

17 RE: COST OF "PRINCESS MARGUERITE"

18 Dear Mr. Kemp:-

19 I acknowledge receipt of your letter of
20 April 5th.

21 I find that the cost of the "Princess
22 Marguerite" to the Railway Company in the United
23 Kingdom was approximately \$4,040,551. The cost
24 of delivering the ship to Victoria was \$73,768.00,
25 making a total cost to the Company at Victoria
26 of approximately \$4,114,319.00.

27 With best regards,

28 Yours sincerely,

29 (signed) J.A. Wright.

30 JAW:DEL

---EXHIBIT 251: Reconciliation of data supplied in Exhibits No. 191 and No. 248 on operating costs of vessels engaged in Great Lakes-St. Lawrence trade.

EXHIBIT NO. 251

CANADIAN SHIPOWNERS ASSOCIATION; reconciliation of daily cost data of Exhibits 191 and 248.

RECONCILIATION

Estimate No. 1 -- Submitted December 15th, 1955 (Ex.191)

Estimate No. 2 -- Submitted February 14th, 1956 (Ex.248)

Item	Estimate No. 1	Estimate No. 2	Difference + or -
1. Wages and Overtime	\$175.50	\$192.58	+ \$17.08
2. Subsistence	45.00	49.25	+ 4.25
3. Stores	45.00	45.37	+ .37
4. Repairs	140.00	168.66	+ 28.66
5. Insurance	90.00	108.58	+ 18.58
6. Management	<u>70.00</u>	<u>70.04</u>	+ <u>.04</u>
TOTALS	<u>\$565.50</u>	<u>\$634.48</u>	+ <u>\$68.98</u>

NOTES

Estimate No. 1 was prepared on the basis of the operating experience of a number of operators totalling over 40 vessels of similar size, type and characteristics (10,000-DWT "Parks" with reciprocating steam engines of the simplest design) in world-wide tramp trading, embracing long voyages with many varying port customs



1 encounter d in loading and discharging.

2 Estimate No. 2 was prepared on the basis
3 of a modern 9,000-DWT motor vessel (of a far more
4 complicated design and with more elaborate
5 auxiliaries) engaged for at least half the year
6 in a short-run highly specialized trade with
7 quick turn arounds resulting in much more frequent
8 entering and leaving of harbours and consequent
9 docking and undocking.

10 For comparisons sake the following changes
11 have been made in the two tables: In Estimate
12 No. 1, the Sundries item of \$15.00 has been re-
13 allocated \$5.00 to Management - \$10.00 to wages.
14 In Estimate No. 2, the first column on the
15 operating cost-per-day table has been used.
16 Depreciation, Interest and Organization costs
17 have been eliminated as they are not accounted
18 for in Estimate No. 1. All the portage items have
19 been lumped into one figure and total \$192.58
20 per day. Superintendence, Miscellaneous
21 administrations and general items have also been
22 lumped together and total \$70.04 which is
23 comparable to the Management cost in Estimate
24 No. 1.

25 On subsistence, the difference of \$4.25
26 per day can be accounted for by higher costs of
27 messing when a much longer period is spent
28 in Canadian waters with higher food costs than
29 would prevail in world-wide trading. The
30



1 difference is just a little less than 10%, which
2 is not unreasonable.

3 Substantial increase in Repair costs arises
4 out of the difference in machinery. Repairs and
5 Maintenance costs on a motor vessel are much
6 higher than on the "Park" type vessel with its
7 simple reciprocating engine. Skilled repairs
8 and parts replacement frequently have to be done
9 by shore-side staffs and again due to the longer
10 period vessel is employed in Canada, would be
11 higher than a world-wide average. Auxiliary
12 machinery is also more complicated with added
13 Maintenance costs. While Repairs and Maintenance
14 costs are higher on motor vessels, the resulting
15 saving in Fuel costs more than overtakes this
16 differential. As a result, motor vessels are
17 still more economical to operate.

18 Increased Insurance costs can be accounted
19 for in the increased value of the vessel. On to-day's
20 valuations, a new motor vessel is worth about
21 $2\frac{1}{2}$ times a "Park" vessel and would therefore
22 carry that much more insurance. A considerable
23 factor in the Insurance costs will be P. & I.,
24 which would not vary much between the two vessels.
25 Thus, the actual differential is not $2\frac{1}{2}$ times.

26 Three factors are principally responsible
27 for the difference of \$17.08 per day in Wages
28 and Overtime. By reference to the tables on
29 Wages, etc. submitted in support of each
30



1 estimate it will be observed that

2 (a) in Estimate No. 1, Overtime is calculated
3 on a basis of $9\frac{1}{2}\%$ of standard wages plus
4 leave. While in Estimate No. 2, Overtime
5 has been calculated on the basis of 17%
6 of the basic wage. Due to the much more
7 than average number of dockings and
8 undockings which will prevail in the short
9 turn arounds in the Lakes, the incidence
10 of overtime is much greater. Whenever a
11 vessel is required to dock and undock,
12 the whole deck crew is required to be on
13 duty and probably twice the number of
14 officers.

15 (b) It will be noted the Master receives nearly
16 \$22 per month more. This is not unreason-
17 able when the responsibilities entailed
18 in the two vessels are compared.

19 (c) In Estimate No. 2, while the total crew
20 is the same, one less deck hand is
21 employed, but being a motor vessel, an
22 additional engineer is required at
23 higher pay.

24 It is considered that the three fore-
25 going factors, plus certain other minor differences
26 in the wage tables supporting the two estimates,
27 quite realistically account for the wage
28 differential of \$17.08 per day.
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1 ---EXHIBIT 252: Canadian Shipowners Association
2 additional data on wages for
3 Exhibit No. 248.

4 EXHIBIT NO. 252

5 CANADIAN SHIPOWNERS ASSOCIATION; note re
6 Exhibit #248.

7 ADDED WAGES FOR GREAT LAKES TRADING

8
9 It is noted that on the portage tables, the
10 added wages for Great Lakes trading averages
11 slightly less than \$20.00. When included in the
12 voyage estimates, this has been raised to \$30.00
13 per day. The authors of the voyage estimates
14 advise that this amount has been increased by
15 \$10.00 per day to take care of extra overtime
16 on the supplemental wages while in the Great
17 Lakes and to cover certain other emoluments
18 foreign crews must receive to keep them happy
19 while working in competition with higher-paid
20 Canadians. This is only an estimate but in the
21 opinion of the authors is not unrealistic. It
22 is additional to the higher than average 17%
23 overtime already calculated on this particular
24 type of vessel operation.
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1 ---EXHIBIT 253: Press Release issued in Melbourne,
2 April 12, 1956, concerning "Merchant
3 Shipbuilding in Australia".

4 EXHIBIT NO. 253

5 FOR PRESS.

6 EMBARGO: NOT TO BE RELEASED BEFORE 12 NOON

7 THURSDAY 12TH APRIL.

8
9 MERCHANT SHIPBUILDING IN AUSTRALIA.

10 The Minister for Shipping and Transport,
11 Senator Shane Paltridge announced today that the
12 Government had approved of the payment of subsidy
13 of up to 33 1/3% in respect of merchant ship-
14 building in Australia.

15 Senator Paltridge said that in pursuance
16 of its policy of maintaining an efficient merchant
17 shipbuilding industry in Australia the Government
18 had instituted a Tariff Board inquiry into the
19 adequacy of the existing payment of up to 25%
20 or whether there were alternative and better means
21 of assisting the industry. It was decided that
22 for the time being the best results would be
23 achieved by the continuance of the present
24 method of paying a subsidy and of having a control
25 over the import of ships under the Customs
26 (Prohibited Imports) Regulations.

27 Senator Paltridge said: "The subsidy is
28 payable only on vessels constructed for the
29 Australian coastal trade, until such time as
30



1 the requirements of the Australian Shipping
2 Industry have been met, and will apply to orders
3 lodged as from today."

4 Senator Paltridge added that the Government
5 would continue its support on the basis outlined
6 by him for at least five years, but it was
7 intended to have the Tariff Board re-examine the
8 manner and method of assistance not later than
9 1958.

10 The Government's decision, Senator Paltridge
11 said, should give the necessary security to
12 shipbuilders in Australia, which would enable
13 them to develop and improve their facilities and
14 consequently accelerate production. Only by so
15 doing could they hope to obtain the orders
16 required for forward planning, which is so vital
17 to this particular industry.

18
19 Melbourne.
12th April, 1956.



1 ---EXHIBIT 254: Letter from Mr. C.P. Reddall,
2 Chief Statistician, Canada Steam-
3 ship Lines Limited, to Royal
4 Commission on Coasting Trade,
5 April 19, 1956.

6 EXHIBIT NO. 254

7 CANADA STEAMSHIP LINES LIMITED

8
9 April 19, 1956

10 Mr. G.G. McLeod,
11 Secretary,
12 Royal Commission on Coasting Trade,
13 490 Sussex Street,
14 Ottawa, Ontario.

15 Dear Mr. McLeod,

16 Mr. McLagan has asked me to thank you for
17 your letter of April 17, and has passed it to me
18 for attention.

19 I give you herewith answers to the questions
20 put to him in that letter regarding the
21 "T. R. McLagan".

22 1. The maximum loaded draft in fresh water
23 is 25'10-3/4".

24 2. The vessel's draft loaded with 765,000
25 bushels of wheat (20,500 long tons)
26 would be 24'2".

27 3. At the maximum draft of 25'10-3/4" the
28 "T.R. McLagan" would carry 22,700 long
29 tons of ore from Seven Islands to
30 Hamilton.

4. At a limited draft of 25'6", she would
carry 22,200 long tons of ore on the



1 same route.

2 In calculations numbers 2, 3 and 4 above,
3 giving cargo dead weights, an allowance of 500
4 long tons has been made for fuel, fresh water,
5 stores, crew and effects.

6 Yours very truly,

7 (Signed) C.P. Reddall

8 C.P. Reddall
9 Chief Statistician.

10 CPR;JH

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ROYAL COMMISSION ON COASTING TRADE

APPENDIX 6

Containing copies of
the exhibits filed at
the sittings of the
Commission commencing
August 6th, 1956.





INDEX TO APPENDIX

EXHIBITS

<u>No.</u>	<u>Description</u>	<u>Appendix Page</u>
255	Survey conducted by Canadian Maritime Commission by request. Particulars of Vessels (excluding Naval Vessels) in Preparation or Under Construction in Canadian Shipyards, June 30, 1956.	1198
256	Letter from T.R. McLagan of Canada Steamship Lines Ltd., May 3, 1956, with attached statement re "9,000 Ton D.W. Vessel - Speed 14 Knots - Bushel Capacity 310,000 - Operating Costs \$1,170 Per Day Excluding Fuel - Fort William to Kingston with Grain - Kingston to Fort William Light." to Secretary of this Commission.	1202
257-1-	The Australian Coastal Shipping Bill 1956 (for an Act to establish an Australian Coastal Shipping Commission to operate certain Shipping Services, and for other purposes). Second Reading Speech by Senator the Honourable Shane Paltridge, Australian Minister for Shipping and Transport.	1210
257-2-	The Australian Coastal Shipping Bill 1956 (for an Act to approve an Agreement entered into by the Commonwealth with respect to Australian Coastal Shipping, and for purposes connected with that Agreement).	1226

---EXHIBIT NO. 255 Survey conducted by Canadian Maritime Commission by request.

1

PARTICULARS OF VESSELS (excluding Naval Vessels) IN PREPARATION OR UNDER CONSTRUCTION

IN CANADIAN SHIPYARD, JUNE 30, 1956

(Survey conducted by Canadian Maritime Commission by request)

<u>Name of Shipyard</u>	<u>Name of Ship</u>	<u>Type</u>	<u>Length (o.s.)</u> <u>Beam and Depth</u>	<u>Power Plant</u>	<u>Estimated</u> <u>Speed</u>	<u>Estimated</u> <u>Dwt.</u>	<u>Expected</u> <u>Delivery</u>	<u>Name of</u> <u>Owner</u>
Burrard Dry Dock Co. Ltd.	Hull No. 295	Steel Scow	150'0" 43'0" 10'6"	Non-Prop.	-	1,100	July/56	Canadian Forest Products Ltd.
"	Hull No. 296	Steel Scow	150'0" 43'0" 10'6"	Non-Prop.	-	1,100	Aug./56	"
"	Sir James Douglas	Lighthouse Tender	150'0" 30'0" 13'6"	1,140 s.h.p. T/S Diesel	12-1/2 knots	250	Oct./56	Dept. of Transport
"	Hull No. 297	Steel Scow	175'0" 48'0" 13'6"	Non-Prop.	-	1,300	Oct./56	Vancouver Tugboat Co. Ltd.
Collingwood Ship- yards Ltd.	Hull No. 155	Canaller	259'0" 43'6" 22'6"	1,280 b.h.p. T/S Diesel	11 m.p.h.	3,872	July/56	N.M. Peterson & Sons Ltd.
"	Hull No. 158	Canaller	259'0" 43'6" 22'6"	1,280 b.h.p. T/S Diesel	11 m.p.h.	3,872	Aug./56	"
"	Hull No. 159	Bulk Freighter	605'0" 62'0" 33'0"	4,400 s.h.p. S/S Turbine	15 m.p.h.	15,250	July/57	"
"	Hull No. 160	Package Freighter	461'6" 56'0" 32'0"	5,500 s.h.p. S/S Turbine	16 knots	8,450	Apr./58	Canada Steamship Lines Ltd.

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Collingwood Ship- yards Ltd.	Hull No. 161	Tanker	375'0" 52'0" 27'0"	2,560 b.h.p. S/S Diesel	12-1/4 knots	6,200	Aug./57	Imperial Oil Ltd.
Port Weller Dry Docks Ltd.	Hull No. 24	Bulk Freighter	681'3" 72'0" 37'0"	7,500 s.h.p. S/S Turbine	16-1/2 m.p.h.	25,000	Spring/58	Upper Lakes & St. Lawrence Transportation Co.
Canadian Vickers Ltd.	Baffin	Hydrographic Survey Vessel	285'0" 49'6" 29'6"	8,000 b.h.p. T/S Diesel	15-1/2 knots	1,364	Nov./56	Dept. of Mines & Technical Surveys
"	Alexander T. Wood	Ore Carrier	578'0" 72'0" 42'6"	6,800 b.h.p. S/S Diesel	13-1/2 knots	20,350	Aug./57	Westriver Ore Transports Ltd.
"	Hull No. 270	Steel Barge	125'0" 42'0" 11'0"	Non-Prop.	-	-	July/57	J.P. Porter Co. Ltd.
Marine Industries Ltd.	Hull No. 232	Steel Scow	165'7" 38'0" 9'6"	Non-Prop.	-	1,400	July/56	Oka Sand & Gravel Co. Ltd.
"	Hull No. 233	Steel Scow	165'7" 38'0" 9'6"	Non-Prop.	-	1,100	Aug./56	Oka Sand & Gravel Co. Ltd.
"	Hull No. 234	Steel Scow	165'7" 38'0" 9'6"	Non-Prop.	-	1,100	Sept./56	Oka Sand & Gravel Co. Ltd.
Geo. T. Davie & Sons Ltd.	Hull No. 67	Lighthouse Tender	128'0" 34'6" 21'5"	480 b.h.p. S/S Diesel	9 knots	-	Oct./56	Dept. of Transport

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Geo. T. Davie & Sons Ltd.	Hull No. 68	Patrol Vessel	178'0" 29'0" 14'6"	2,666 b.h.p. S/S Diesel	16-1/4 knots	-	May/57	R.C.M.P.
"	Hull No. 69	Cargo Vessel	143'2" 33'0" 15'4"	Not available	-	700	Oct./56	Capt. J.M. & R. Desgagne
Davie Shipbuilding Ltd.	Hull No. 607	Lighthouse Tender	164'6" 34'0" 14'6"	1,200 s.h.p. T/S Diesel	12 knots	336	May/57	Dept. of Transport
"	Hull No. 609	Canaller	259'0" 43'10" 22'6"	1,280 b.h.p. T/S Diesel	11 m.p.h.	3,872	July/56	Canada Steamship Lines Ltd.
"	Hull No. 610	Icebreaker	220'0" 48'0" 21'0"	4,000 i.h.p. S/S Steam	13 knots	1,116	Jan./57	Dept. of Transport
"	Hull No. 611	Canaller	259'0" 43'10" 22'6"	1,360 b.h.p. T/S Diesel	11 m.p.h.	3,895	May/57	Hall Corporation of Canada Ltd.
"	Hull No. 612	Tug	97'6" 28'2" 13'10"	1,280 b.h.p. Diesel	12 knots	-	Dec/56	Foundation Co. of Canada Ltd.
Ferguson Industries Ltd.	Lord Selkirk	Auto-Pass. Ferry	259'0" 54'6" 18'0"	2,500 h.p. T/S Diesel	13 knots	1,200	1957	Dept. of Transport



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Lumenburg Foundry # Engineering Ltd.	Pilot Boat No. 5	Pilot Boat	45'0" 12'0" 6'6"	180 b.h.p. S/S Diesel	10-1/2 knots	-	Aug./56 Dept. of Transport
"	Hull No. 3	Work Boat	66'6" 17'6" 7'6"	210 b.h.p. S/S Diesel	10 knots	20	Jan./57 Dept. of Transport
"	Nancy Eileen	Wooden Scallop Dragger	90'0" 21'6" 10'6"	425 h.p. S/S Diesel	10-1/2 knots	115	Aug./56 Adams & Knuckle Ltd.



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1 ---EXHIBIT NO. 256: Letter from T. R. McLagan
2 of Canada Steamship Lines Ltd.,
3 May 3, 1956, with attached
4 statement re "9,000 Ton D.W.
5 Vessel - Speed 14 Knots -
6 Bushel Capacity 310,000 - Operat-
7 ing Costs \$1,170 Per Day Excluding
8 Fuel - Fort William to Kingston
9 with Grain - Kingston to Fort
10 William Light." to Secretary of
11 this Commission.

12 EXHIBIT NO. 256

13 P.O. Box 100
14 Montreal, P.Q.
15 May 3, 1956

16 Mr. G. G. McLeod,
17 Secretary,
18 Royal Commission on Coasting Trade,
19 490 Sussex Street,
20 Ottawa, Ontario.

21 Dear Mr. McLeod,

22 Thank you for your letter of April 12th,
23 1956, enclosing Exhibit #248 filed with the Royal
24 Commission on the Coasting Trade by the Canadian
25 Shipowners Association. This exhibit has been
26 examined and we make the following observations.

27 1. Although the matter is not of great
28 importance, we do not agree with the state-
29 ment on page 2, paragraph 1, to the effect
30 that composite vessels designed for the
carriage of oil or grain would necessarily be
confined to these two types of cargo.

Recent designs have produced ships
capable of carrying both oil and any normal
bulk cargo; one ship in particular not only
has this feature, but also has its own self-
unloading facilities for iron ore.



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2. Comparison of the operating costs and conclusions arrived at by the CSA is most difficult since none of the vessels used by the CSA compare with any of the vessels used by CSL in Exhibit #200.

Probably the closest vessel is the CSA 9000 tons deadweight vessel, which in some respects, might be compared with CSL vessel "C" in Exhibit #200.

In this connection we would point out that although CSL vessel "C" only carries 9400 tons at Great Lakes draft, it is actually a 12,600 ton vessel, whereas the vessel used by the CSA carries 9000 tons at its maximum draft.

3. Taking into account the considerable difference in size of vessel, it is our opinion that the \$2,200,000 used by the CSA as the 1955 delivery price of the 9000 tons maximum deadweight British vessel is at least \$200,000 too high, and this has the effect of increasing charges against the ship including insurance, interest, depreciation, etc.

It is noted, however, that in spite of this, the total operating cost of their 9000 tons deadweight vessel approximates the total for vessel "C" on CSL Exhibit #200.

The main points of difference in operating costs being the higher capital cost of vessel "C" (due to it being a much larger



1 vessel and thereby incurring higher deprecia-
2 tion and interest costs, etc.) and the fact
3 that the CSA have allowed a much higher
4 figure on their vessel than is our experience
5 for repairs.

6 These differences in operating costs
7 approximately offset each other and the daily
8 operating costs finally arrived at (excluding
9 fuel) are approximately equal despite the
10 greater capacity and earning potential of
11 vessel "C", Exhibit #200.

12 It should be noted at this time that
13 CSL vessel "C" has 40% greater total deadweight
14 with only 18% greater capital cost.

15 4. It is also considered that the CSA
16 analysis of the Lakehead-Kingston operation
17 with grain allows for more time than is
18 necessary for a round trip. Their 9000 ton
19 vessel is stated to have a speed of 14 knots,
20 but on page 8 of Exhibit #248, only 102 hours
21 are allowed for steaming at this speed.

22 This would give a mileage of about
23 1500 miles at normal speed and would leave
24 almost 600 miles to be covered at about half
25 power; this we consider to be excessive as
26 also is the time allowed in port.

27 Ignoring the fact that we believe their
28 capital cost and repair estimates both to
29 be too high, but using a time basis in
30



1 keeping with our own experience of this trade
2 and route, the comparative figures set out
3 in a similar manner to those on page 8,
4 Exhibit #248, are of interest and are shown
5 on Appendix 1 to this letter.
6

7 From these tables we see that the
8 estimated cost per bushel is reduced to 5.331¢
9 from the CSA estimate of 6.639¢ if the time
10 factors alone are brought into line with our
11 Exhibit #200.

12 If we still ignore the high capital
13 cost used, but use our estimate of repair
14 costs, the round trip cost per bushel would
15 be reduced to 5.098¢ (excluding handling
16 charges).

17 Although this figure is still somewhat
18 higher than the estimate for CSL vessel "C",
19 it must be remembered that not only is the
20 CSA vessel of smaller capacity when operating
21 in the Lakes, but its potential for winter
22 earnings cannot be compared with those for
23 CSL vessel "C".

24 Small and unsuitable though the CSA
25 vessel is, it can be seen that it is still
26 able to carry grain at a cost less than the
27 18,000 ton giant Canadian Upper Laker,
28 vessel "A", Exhibit #200.

29 The larger vessels used by the CSA,
30



1 when corrected for trip times etc., will
2 show at least corresponding reductions in
3 cost per bushel.
4

5 We have consistently stated that the
6 ships we will have to compete against will be
7 properly designed, suitable, efficient vessels,
8 and not at all like the 9000 ton vessel used
9 by the CSA.

10 5. Another matter of considerable interest
11 in the CSA report is their statement that
12 ocean vessels are not likely to operate in
13 the Great Lakes for more than 185 days in
14 each season, and this highlights our own
15 argument that ocean vessels cannot be relied
16 upon to handle the heavy movement of grain
17 immediately after the opening of navigation
18 or during the closing weeks of each season
19 since the normal operating season on the
20 Great Lakes is some 230 to 240 days.

21 This year, for example, 32 million
22 bushels of grain were shipped by water from
23 the Lakehead during the first two weeks of
24 navigation.

25 As pointed out in the Canada
26 Steamship Lines Brief, we believe that this
27 is one of the factors "which might well be
28 of greater importance to grain growers and
29 shippers and the Canadian economy as a whole
30



1
2 than simple consideration of fractionally
3 lower freight costs on a sporadic and
4 indeterminate basis on a proportion of the
5 total freight movement."

6 Yours sincerely,

7 (Signed) T. R. McLagan.

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9 TRM:jh
10 Enc.
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9,000 Ton D.W. Vessel - Speed 14 Knots - Bushel Capacity 310,000

Operating Costs \$1,170 Per Day Excluding Fuel

Fort William to Kingston with Grain - Kingston to Fort William Light

Estimate by C.S.A.
Exhibit No. 248

Estimate by C.S.L. - Time
Factors Based on Ex. # 200

Vessel Cost

12.4 Days

= \$14,510.

9.4 Days

= \$10,998.

Fuel

132 Tons @ \$42.

= 5,545.

119.1 Tons @ \$42

= 5,002.

Misc. Expenses

= 525

= 525.

Total

= \$20,580.

\$16,525.

Cost Per Bushel (310,000)

6,639¢

5.331¢

Time Factors - Steaming & In Port

Estimate by C.S.A.
Exhibit No. 248

Estimate by C.S.L. Based
on Exhibit No. 200

	<u>Miles</u>	<u>Hours at Full Speed</u>	<u>Hours at Reduced Speed</u>	<u>Hours in Port</u>	<u>Total Hours</u>	<u>Hours at Full Speed</u>	<u>Hours at Reduced Speed</u>	<u>Hours in Port</u>	<u>Total Hours.</u>
Fort William To Kingston	1045	51	56	36	143	64	22	28	114
Kingston to Fort William	1045	51	56	36	143	64	22	13	99
Total	2090	102	112	72	286	128	44	41	213

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	<u>Estimate by C.S.A. Exhibit No. 248</u>	<u>Fuel Consumed</u>	<u>Estimate by C.S.L. Based on Voyage Times from Exhibit 200</u>
Running Loaded (20 Tons Per Day)	42.3 Tons		53.1 Tons
Running in Ballast (16 Tons Per day)	34.0 "		42.6 "
Reduced Speed (10 Tons Per Day)	46.7 "		18.3 "
In Port (3 Tons Per Day)	9.0 "		5.1 "
Total for Round Trip	132.0 Tons		119.1 Tons



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2 ---EXHIBIT NO. 257 The Australian Coastal Shipping
3 PART 1: Bill 1956 (for an Act to establish
4 an Australian Coastal Shipping
5 Commission to operate certain
6 Shipping Services, and for other
7 purposes). Second Reading
8 Speech by Senator the Honourable
9 Shane Paltridge, Australian
10 Minister for Shipping and Trans-
11 port.

8 EXHIBIT NO. 257 - 1 -

9 Second Reading Speech by Senator the Honorable Shane
10 Paltridge.

11 AUSTRALIAN MINISTER FOR SHIPPING AND TRANSPORT

12 THE AUSTRALIAN COASTAL SHIPPING COMMISSION BILL 1956
13 (for an Act to establish an Australian Coastal
14 Shipping Commission to operate certain Shipping
15 services, and for other purposes).

16 The purpose of this Bill is to set up a
17 Commission to take over the operation of the
18 Commonwealth-owned ships. Until now, these ships
19 have been operated under the authority of the
20 National Security (Shipping Co-ordination)
21 Regulations. This is obviously undesirable and
22 it is necessary that their mode of operation be
23 placed on a more satisfactory and permanent basis.

24 The Government has given long and careful
25 consideration to the future of the Commonwealth-
26 owned vessels. In these considerations, the
27 Government has always in mind the primary considera-
28 tion that whoever operates them, the ships should
29 be so used that they would be of the greatest
30 assistance possible in providing adequate and
efficient shipping services on the Australian



1 coast. It must be admitted that since the end of
2 the war, shipping services on the coast have not
3 been all that might have been desired. I do not
4 propose to embark on a detailed discussion of why
5 this has been so, but as I see it one of the principal
6 factors has been the high capital cost of replacing
7 the tonnage lost during the war and tonnage which
8 has become obsolete since. Coupled with the
9 problem of finding the heavy capital demands
10 for replacement tonnage is the very steep increase
11 in the cost of operating ships brought about by
12 higher wages, higher fuel costs and increased
13 repair and maintenance costs. It is also
14 regrettably true that ship operators have not been
15 assisted by the many disputes which over all the
16 post war years have characterised this industry.

17 When to these problems is added the
18 problem of the increasing competition from land
19 and air transport it will be realised that ship-
20 owners have been faced with serious and difficult
21 problems in their endeavours to maintain efficient
22 and adequate services on the Australian coast.
23 Within the limits of the resources available to
24 them, the shipping companies have done what they
25 could. Orders have been placed for new ships
26 and further orders are in contemplation. Overseas
27 ships have been chartered to supplement Australian-
28 owned ships. Old ships have been kept in service,
29 in the face of heavy expenses for surveys and in
30



1 many cases for improved crew accommodation,
2 although from a purely commercial viewpoint, the
3 expenditure of such substantial sums on old
4 vessels is hardly a payable proposition.

5
6 The Commonwealth for its part has also
7 assisted, It has placed substantial orders for
8 ships both in Australian and overseas yards, it
9 has bought several second-hand ships and it has
10 chartered overseas ships to assist in providing
11 vessels in the coastal trade.

12 The Government's ultimate aim is to ensure
13 that Australia is served with an Australian-
14 owned fleet of modern merchant vessels of suitable
15 types and in sufficient numbers to meet all the
16 needs of the various trades around the Australian
17 coast. It intends also that as many as possible
18 of these ships will be built in Australian shipyards.
19 It is with these objectives in mind and having regard
20 also the problems of the shipping industry to
21 which I have briefly referred that the Government
22 has approached the question of the future of the
23 Commonwealth-owned ships.

24 This Government believes in private
25 enterprise. It has been an open secret that for
26 some years it has been exploring the possibility
27 of disposing of the Commonwealth-owned vessels to
28 private enterprise. It has always been made
29 clear, however, that its first objective has been
30



1 to see that the best interests of the Australian
2 people are served. Despite the uninformed and
3 irresponsible outbursts from members of the
4 Opposition on many occasions to the effect that the
5 Government was preparing to give away the ships,
6 it has been quite positive in its intention that
7 it would dispose of them only on condition that
8 it received a fair price, that the ships were
9 retained on the coast, that the buyers would
10 undertake to provide adequate shipping services
11 and that the position of the Australian ship-
12 building industry would be protected. Despite
13 long and earnest endeavours on the part both
14 of the Government and potential purchasers, it
15 was not possible to reach agreement for the sale
16 of the ships on terms which satisfied the
17 Government on all of these points.

18 This Government, unlike some previous
19 Governments, is not fettered by doctrinaire
20 considerations in its approach to such problems.
21 Having found it was not possible to sell the ships
22 on terms satisfactory to it, it decided that they
23 would be continued in operation under Government
24 ownership. At the same time, the Government
25 recognises the valuable part which the private
26 shipping companies have played and will continue
27 to play in providing shipping services on the coast
28 and has therefore taken steps to ensure that these
29 companies are placed in a position which will
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1
2 enable them to continue to play their right-
3 ful part in providing shipping services in our
4 coastal trades. To this end, the Commonwealth
5 has entered into an Agreement with a number of
6 shipping and stevedoring companies. The
7 approval of Parliament to this Agreement will be
8 sought in a separate Bill and I do not therefore
9 propose to do more than mention it at this
10 juncture.

11 As I indicated earlier, the purpose of the
12 present Bill is to set up a Commission to operate
13 the Commonwealth ships. The Commission will
14 consist of five members, one of whom will be Chairman
15 and another Vice-Chairman. The normal term of
16 appointment of Commissioners will be five years
17 but the initial appointments are for varying
18 periods so that one Commissioner will retire each
19 year. In this way, continuity of administration will
20 be preserved. Commissioners will be eligible
21 for re-appointment. They will be appointed by the
22 Governor-General and the usual provisions are
23 made for vacation of office of Commissioners.
24 However, I would invite the attention of the
25 Senate to the provision for the vacation of
26 office of a Commissioner who becomes interested
27 in a contract entered into by the Commission.
28 The Government has followed the recommendations
29 of the Joint Parliamentary Committee on Public
30



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2 Accounts in their report on the affairs of the
3 Aluminum Production Commission. The Committee
4 recommended that a provision on the lines of
5 that contained in the United Kingdom Atomic Energy
6 Authority Act 1954 should be included in
7 Commonwealth Acts establishing statutory corpora-
8 tions. Under this provision, a Commissioner who
9 has an interest in a contract with the Commission
10 is not thereby disqualified from membership but
11 is placed under an obligation to disclose his
12 interest at a meeting of the Commission and to
13 refrain from voting in connection with the contract.
14 There is one departure from the United Kingdom
15 precedent in that a Commissioner whose only
16 interest in a contract arises from the fact
17 that he is the holder of shares in common with
18 other members in an incorporated company of not
19 less than 25 members is not obliged to disclose
20 his interest. It was felt to be desirable to
21 make this exception because Commissioners may hold
22 shares in a number of public companies and as
23 ordinary shareholders would not always be aware of
24 the fact that the Company was interested in a
25 contract with the Commission.

26 The Commission is given broad powers to
27 operate vessels in the coastal and overseas trades
28 and in trades incidental thereto but not in
29 intrastate trades as the terms of the Constitution
30



1
2 do not permit it to be given this power. It
3 is not intended that the vessels of the Commission
4 will engage in overseas voyaging, except as
5 special circumstances demand. However, in the
6 past, Commonwealth ships have on occasions
7 engaged in overseas voyages for special reasons
8 and as it is possible that they may be required
9 to do so in future, the power to engage in
10 overseas trades has been included.

11 In addition to its broad function of
12 operating shipping services, the Commission is
13 given power to do all those things which are
14 necessary in connection with the carrying out
15 of its functions. A number of specific powers
16 are also enumerated, including the power to buy,
17 sell or charter ships, to buy or lease land or
18 equipment, to arrange for the training of
19 apprentices.

20 It has been the objective of the
21 Government in drafting this Bill to place the
22 Commission as far as possible in the same position
23 as a private operator of ships. The Commission
24 therefore has been given a very considerable
25 degree of autonomy and the powers of the Minister
26 are generally speaking limited to a power of
27 approval on a relatively few matters of policy.
28 The Minister also has power to approve of freight
29 rates charged by the Commission but it should be
30



1
2 noted that the power is one of approval or
3 disapproval only and he has no power to initiate
4 changes in the freights charged by the Commission.

5 The Minister has one direct power, to
6 which I should like to refer. Where he
7 considers it is necessary to meet the needs of a
8 particular area and is in the public interest,
9 the Minister may direct the Commission to establish
10 a shipping service to meet those particular needs.
11 Where a service is established at the direction
12 of the Minister and results in a loss and the
13 Commission's operations for the year also result
14 in a loss then the Commission is entitled to be
15 reimbursed for the loss on the service or the loss
16 on the year's operations, whichever is the less.
17 This power will enable the Minister to ensure
18 that where they are necessary, developmental
19 trades will be undertaken by the Commission to
20 areas where the Commission would not normally
21 provide services because they would not be
22 payable from a commercial point of view. If
23 the Commission is operating on a profitable
24 basis overall, it will be expected to absorb
25 any losses on such trades but if its operations
26 should not be profitable then it may be
27 reimbursed and the maintenance of developmental
28 services will thus not be an unduly onerous
29 burden on the finances of the Commission.
30



1 The Government expects the Commission to
2 operate on a proper commercial basis and it has
3 therefore included a provision in the Bill
4 which obliges the Commission to pursue a policy
5 directed towards securing revenue sufficient
6 to meet all its expenditure and to pay a
7 reasonable return on its capital. So far as is
8 consistent with this obligation, the Commission
9 is obliged to make its services available at the
10 lowest possible rates.

11 The Minister is required to have regard
12 to these obligations of the Commission when the
13 freights and fares of the Commission are before
14 him for approval. These provisions will ensure on
15 the one hand that the Commission conducts its
16 affairs in a business-like way, and while
17 providing services as cheaply as possible will
18 endeavour to show a reasonable return on the very
19 substantial capital which the people of
20 Australia have invested in this enterprise. On the
21 other hand, it will ensure that neither the Commission,
22 nor any Minister, can reduce freights to an
23 uneconomically low level to the detriment of
24 the private shipping companies and of the
25 finances of the Commonwealth.

26 The usual provisions are included in the
27 Act providing for the appointment of staff includ-
28 ing the appointment of a General Manager who will
29 be the Chief Executive Officer of the Commission.
30



1 Again in pursuance of the Government's policy
2 of placing the Commission in the same position
3 as its competitors (the private shipping
4 companies), it has been provided that the Public
5 Service Arbitration Act shall not be applied to
6 the Commission and employees of the Commission
7 will be subject to the normal awards and determina-
8 tions under the Arbitration Act or other appropriate
9 wage fixing authority.

10 On the matter of employees compensation,
11 the Commonwealth Employees Compensation Act
12 applies to office and administrative staff;
13 seamen will come under the Seamen's Compensation
14 Act in the same way as all other seamen on the
15 coast; and Masters, Officers and Radio Officers
16 will receive compensation in terms of their
17 awards. Other employees will be subject to
18 the normal workers compensation provisions.

19 Turning to the finances of the Commission,
20 the Bill provides that the Commission shall
21 have a definite capital, its initial capital
22 consisting of the value of the ships and other
23 assets it will take over from the Australian
24 Shipping Board and the amounts which may be
25 paid to it from the surplus funds remaining after
26 the winding up of the affairs of the Australian
27 Shipping Board.

28 The Commission will also take over on
29 completion vessels at present under construction
30



1 to the order of the Commonwealth and intended
2 for operation by the Australian Shipping Board.
3 The amounts which have already been paid by
4 the Commonwealth for these ships by way of
5 progress payments to shipbuilders will also
6 form part of the Commission's initial capital.
7 Provision is also made for the capital of the
8 Commission to be added to out of monies appropriated
9 by Parliament for this purpose should further
10 additions to its capital be necessary. The
11 Commission will not be obligated to pay interest
12 on its capital but will be required to make
13 payments to the Commonwealth out of its profits
14 each year, these payments being in effect in
15 the nature of a dividend. Repayments of capital
16 may be made as determined by the Minister and
17 the Treasurer if, at any time in the future,
18 the finances of the Commission permit this to
19 be done.
20

21 The usual provisions are made regarding
22 the banking of moneys, the application of
23 profits and the audit of the accounts of the
24 Commission by the Auditor-General. The Commission
25 will be liable to pay tax under the laws of
26 the Commonwealth, including income tax and
27 sales tax, this provision being a further measure
28 in line with the policy of placing the Commission
29 in the position of a competitive business
30



1 undertaking.

2 The Bill contains the usual provisions
3 for the submission of annual reports and accounts
4 to the Minister, and the Minister is required
5 to lay these before Parliament within fifteen
6 sitting days of their receipt by him.

7 Part 3 of the Bill provides for the
8 winding up of the affairs of the Australian
9 Shipping Board under whose authority Commonwealth
10 ships have been operated to date. The proposal
11 is that the vessels at present in operation, as
12 set out in the first schedule to the Act,
13 will be transferred to the Commission as soon
14 as practicable. It is not possible to transfer
15 all the ships in a given date because when the
16 Act comes into force most of them will be engaged
17 on voyages between ports. The intention
18 is that on the completion of the voyage current
19 when the Act comes into force, the vessels will
20 be transferred to the Commission and thereafter
21 will run to the Commission's account. Vessels
22 under construction will be taken over by the
23 Commission on completion.

24 As soon as it becomes practicable to do
25 so, the affairs of the Shipping Board will then
26 be wound up and the National Security (Shipping
27 Co-ordination) Regulations will be repealed.
28 When the affairs of the Board have been
29 wound up, the Treasurer may direct that such
30



1 portion as he deems necessary of the moneys of
2 the Board then remaining will be transferred
3 to the Commission and these moneys will form
4 part of the Commission's capital.

5 The Australian Shipping Board has a
6 number of outstanding transactions, in some
7 cases extending back to the war years, which
8 are now in the process of adjustment but which may
9 take some time to complete. It is possible also
10 that after the affairs of the Board have been
11 wound up, some claim may be made against it
12 or a claim may need to be made on behalf of
13 the Board. To meet such cases, it is provided
14 that after the date of the repeal of the
15 National Security Regulations, the Commonwealth
16 will be substituted for the Board for such
17 purposes. This procedure is considered to be
18 preferable to keeping the Board in existence for
19 an indefinite and perhaps lengthy period pending
20 the completion of these transactions.

21 The Bill also contains a number of
22 miscellaneous provisions most of which are of
23 a machinery nature and are normal in measures of
24 this kind. I may perhaps refer to two of them.

25 The Bill provides that the Minister may,
26 with the concurrence of the Treasurer and on
27 behalf of the Commonwealth, purchase ships
28 and dispose of ships so purchased to the
29 Commission or to any other person. The purpose
30



1 of this clause is to enable financial assistance
2 to be given to the Australian shipbuilding
3 industry. Owing to limitations imposed by the
4 Constitution, this method of assistance to
5 the industry has been in existence for a number
6 of years both by the present and previous
7 Governments. It has proved a very satisfactory
8 system and it is proposed it shall be continued.
9

10 In brief, the Commonwealth, in pursuance
11 of its policy of supporting the shipbuilding
12 industry, places orders - through the Australian
13 Shipbuilding Board - for the building of vessels in
14 Australian yards. On completion, the vessels are
15 sold to the ultimate purchaser at a price less
16 than the cost to the Government, the difference
17 representing the amount of subsidy payable.

18 Honorable Senators will be aware of the report
19 of the Tariff Board on the shipbuilding industry,
20 which was tabled in Parliament not long ago, and
21 of the Government's decision to increase the
22 subsidy on ships built in Australian yards to
23 a maximum of 33-1/3%. The Government hopes
24 that as a result of its policy in support of
25 the shipbuilding industry, the Australian yards
26 will be assured of adequate and regular
27 orders. It hopes also that as a result the
28 shipbuilders will be encouraged to improve the
29 efficiency of the industry so that output will
30



1 be increased, costs reduced, and delivery dates
2 improved.

3 The Bill also contains a provision
4 restricting the transfer or mortgage of Australian
5 ships which are under the age of 25 years.

6 This Section has two purposes - Firstly, it is
7 designed to ensure that the Minister has some
8 power to prevent the Australian coast being
9 denuded of vessels which are still capable of
10 performing a useful service; and secondly, to
11 ensure that ships built in Australian yards on
12 which a subsidy has been paid are retained on the
13 coast until the end of their useful life. I may
14 add that shipowners raise no objection to this
15 provision.

16 Finally, I would invite the attention of
17 Honorable Senators to the fact that the Bill
18 repeals the Shipping Act 1949. This measure
19 was passed by the Labour Government in March
20 1949, but for reasons best known to them, was
21 never proclaimed, and has therefore remained
22 inoperative. It is now being removed from the
23 Statute Book.

24 The Government believes that the
25 measures contained in this Bill provide the
26 means of placing the affairs of the Commonwealth
27 Line on a sound and permanent basis. The
28 Commission, which will be charged with the duty
29 of operating the Commonwealth ships, will be
30



1 given a considerable degree of autonomy subject
2 only to the approval of the Minister on a
3 relatively few matters of major policy. It will
4 to all intents and purposes be in the same
5 position as a normal business organisation and the
6 Government trusts that under its administration
7 the vessels of the Commonwealth Line will be
8 operated on an efficient and profitable basis and
9 will continue to assist in providing an
10 economical and efficient shipping service in
11 the Australian coastal trades.
12

13 I commend the Bill to Honorable Senators.
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- II -

Second Reading Speech by Senator the Honorable
Shane Paltridge,
AUSTRALIAN MINISTER FOR SHIPPING AND TRANSPORT.

THE AUSTRALIAN COASTAL SHIPPING COMMISSION BILL
1956 (for an Act to approve an Agreement entered
into by the Commonwealth with respect to
Australian Coastal Shipping, and for purposes
connected with that Agreement).

This Bill is complementary to the Bill
which has just been introduced and which provided
for the setting up of a Commission to operate
the Commonwealth-owned ships. In my Second
Reading Speech introducing that particular
measure, I referred to the fact that one of the
objectives of the Government was to protect the
position of the private shipping companies and
to place them in a position whereby they would be
able to continue to play their due part in the
provision of efficient shipping services in the
Australian coastal trade.

The Government believes that both the
Australian Coastal Shipping Commission and the
private shipping companies have a part to play
in providing shipping services and that there is
ample opportunity on the coast for both interests
to operate. It is determined, however, to avoid
the position arising under which the Commonwealth-
owned vessels will expand unnecessarily into trades
which are being efficiently served by the private
shipping interests. The Government has no
intention of unduly restricting the activities



1 of the Australian Coastal Shipping Commission;
2 on the contrary, it has given the Commission
3 very wide and general powers to operate its
4 vessels with a minimum of Ministerial control
5 over its activities. At the same time, it
6 is not prepared to confer any undue advantages
7 on the private shipping companies. Still less
8 is it prepared to place any of those companies in
9 anything approaching a monopolistic position.
10 Its objective has been, while retaining the
11 operation of the Commonwealth Line, to give the
12 private shipping companies every opportunity to play
13 their part in providing shipping services and
14 to leave it to the shipping companies themselves
15 to determine to what extent they will participate
16 in these services.

17
18 To achieve these objectives, the
19 Government, after long and detailed negotiations
20 has reached an agreement with various shipping
21 and stevedoring companies and it is this Agreement
22 to which the approval of the Parliament is now
23 sought.

24 The Agreement is annexed as a schedule
25 to this Bill. Under it, undertakings are given
26 both by the Commonwealth and by shipping and
27 stevedoring companies in regard to the operation
28 of shipping services on the Australian coast.

29 The shipowners for their part undertake
30



1 that they will provide sufficient vessels of
2 suitable types as will, with the vessels of
3 other companies and of the Commission, provide
4 adequate efficient and economical coastal
5 shipping services. They further undertake that
6 they will conduct these services in an efficient
7 and economical manner and under competitive
8 conditions.

9 The stevedoring companies have likewise
10 undertaken to carry out stevedoring operations
11 in an efficient and economical manner and to
12 give fair and equitable treatment to the vessels
13 of the Commission handled by them.

14 The Commonwealth for its part has
15 undertaken that it will not, except through the
16 agency of the Commission, operate merchant
17 vessels in the coastal trades and that the
18 Commission will not engage in stevedoring
19 operations, nor undertake itself the booking
20 or handling of cargo carried on its vessels in
21 coastal and territorial shipping trades. These
22 services will continue to be performed, as they
23 have been for many years past, by established
24 private companies, except in conditions that
25 are described later.

26 The Commonwealth also undertakes that,
27 except in circumstances to which I shall refer
28 shortly, the tonnage of vessels operated by
29 the Commission will not exceed in the aggregate
30



1 325,000 gross tons. This tonnage is sufficient
2 to cover all of the Commonwealth vessels now
3 in operation, together with those under
4 construction, with a margin to provide for
5 foreseeable demands for additional tonnage
6 in certain trades and with a further margin for
7 any contingencies which may arise in the future.
8 This tonnage is sufficient to cover the present
9 and immediately prospective needs of the
10 Commission, and to give it in addition a reason-
11 able margin for the expansion of its tonnage.
12

13 The Agreement goes on to make adequate
14 provision for the expansion of the Commission's
15 authorized tonnage should it prove that the
16 shipping companies are not in fact meeting in
17 full their obligation to provide adequate and
18 efficient services. If the Minister considers
19 that further tonnage is necessary in the coastal
20 trades because existing tonnage is insufficient
21 or because tonnage is required for expansion
22 in any established trade or for the purpose of
23 servicing new routes or because any route is
24 not adequately served because the tonnage is
25 obsolete, he may notify the companies
26 specifying the tonnage which he thinks should
27 be acquired to meet these demands.

28 To digress for a moment, I should
29 explain that the Agreement provides that should
30



1 there be any difference of opinion between
2 the Minister or the Commission and the companies
3 signatory to the Agreement, these differences
4 may be resolved by reference to an independent
5 authority, who will determine matters in dispute.
6 Except for the purpose of determining matters
7 related to shipbuilding, to which I shall
8 refer in more detail later, the independent
9 authority will be a person agreed upon between
10 the parties. In default of agreement he will,
11 at the option of the Minister, be a barrister
12 or solicitor nominated by the President of the
13 Law Council of Australia, or a Chartered
14 Accountant nominated by the President of the
15 Institute of Chartered Accountants. This ensures
16 that a person may be chosen to act as
17 independent authority having the qualifications
18 necessary to enable him to determine the
19 particular point at issue. The companies then
20 may inform the Minister whether or not they
21 agree with his contention regarding the
22 additional tonnage required. If they do not,
23 the matter is referred to the independent
24 authority for determination. Upon determination
25 being made, if the companies do not within a
26 time specified take steps to provide the tonnage
27 which the independent authority has determined
28 is necessary, the Minister may authorise the
29
30



1 Commission to acquire the tonnage and the tonnage
2 which the Commission is empowered to operate is
3 increased by the amount of tonnage so acquired.
4

5 The private shipping companies therefore
6 are given every opportunity to build the new
7 tonnage which may be required for the Australian
8 coastal trade but if they do not do so the
9 Commission may build tonnage to the extent
10 to which the private companies fail to do so.
11 Thus it is entirely in the hands of the shipping
12 companies as to whether or not they take
13 advantage of any opportunities offering from time
14 to time to expand their operations. On the other
15 hand, the position of the Commission and of the
16 Australian public is fully protected because
17 if the shipowners fail to play their part then
18 it is open to the Commission to step in and meet
19 any deficiencies.

20 The Commission is likewise protected
21 in relation to the stevedoring and the booking
22 and handling of cargo carried in its vessels.
23 In the first place, the rates, fees, etc.
24 which are payable for these services are to
25 be as agreed between the Commission and the
26 Company concerned or if they cannot agree, at
27 rates to be determined by the independent
28 authority. The independent authority having
29 determined a reasonable rate and the Commission
30



1 being unable to find any company signatory to
2 the Agreement prepared to do the work for them
3 in any port or in any service at those rates,
4 the Commission may then either get the work
5 done by a company outside the Agreement or it
6 may be authorised by the Minister to do the
7 work itself.

8
9 Furthermore, the Commission is protected
10 if it should prove that stevedoring of the
11 Commission's vessels or the booking or handling
12 of cargo is being carried out in a manner
13 detrimental to the Commission's interests by
14 reason of inefficiency or because the Commission's
15 vessels are not given fair and equitable
16 treatment or if the efficiency of operation
17 of the vessels is in any way adversely affected
18 by arrangements made for their handling by any
19 inadequacy on the part of the company concerned.
20 If the Commission cannot arrange with any
21 company to perform these services to its
22 satisfaction, the matter may be referred to
23 the independent authority. If the Minister's
24 contention that the vessels are not being
25 efficiently handled is upheld by the authority,
26 the Commission again may arrange with a firm
27 outside the Agreement to do the work for it
28 or may be authorised by the Minister to do it
29 itself. Thus, so long as the companies continue
30



1 to provide efficient services in stevedoring
2 and booking or handling of cargo on the
3 Commission's vessels, the arrangements which
4 have operated satisfactorily in this regard
5 for many years will be continued.
6

7 There are obvious advantages in continuing
8 this arrangement. The companies have been
9 doing this work for the Australian Shipping
10 Board in a satisfactory manner and at reasonable
11 rates. The Commission, so long as the arrange-
12 ment continues, will avoid the considerable
13 expense and administrative difficulties which
14 would be involved in acquiring premises and
15 setting up the staff which would be necessary
16 at the various ports if it had to perform these
17 services for itself. However, it is fully
18 protected, because if it should prove that
19 the services are not being performed in an
20 efficient manner, the Commission may be
21 authorised - after a determination by the
22 independent authority - to carry out the
23 services for itself.

24 The Agreement also provides for the
25 protection of the Australian shipbuilding
26 industry. The Government has pursued an active
27 policy in support of this industry and has only
28 recently, following a report on the industry by
29 the Tariff Board, increased the amount of
30



1 financial assistance payable in respect to
2 vessels built in Australian yards to a maximum
3 of 33-1/3%. It is recognised that this support,
4 generous as it is, is not the only thing required
5 to maintain the shipbuilding industry at an
6 adequate and efficient level of production.
7 The industry in this country is still comparatively
8 new and to enable it to develop along satisfactory
9 lines, it is necessary that the yards receive
10 adequate and regular orders to an extent which
11 will enable them to continue operating without
12 interruptions and indeed to expand their rate
13 of production.

14
15 It is obvious that if a yard does not
16 receive orders regularly so that it is unable
17 to plan its production well ahead and ensure
18 that all the many trades which take part in the
19 building of a ship are occupied in due progression,
20 there will be occasions when all of their skilled
21 employees will not be fully employed and it may
22 be necessary for men to be laid off. If this
23 occurs, not only is the rate of production
24 affected, but it may prove difficult for the yards
25 to get the men back when work is resumed and
26 their efficiency and ability to build ships
27 economically is thus adversely affected.

28 With these factors in mind, the Agreement
29 provides that where the Minister, after receiving
30



1
2 advice from the Australian Shipbuilding Board,
3 is satisfied that the orders held by the
4 Australian shipyards for the construction of
5 new tonnage are less than is necessary to enable
6 the industry to continue in operation at a
7 reasonably adequate level of production, he
8 may give notice to the shipping companies
9 accordingly specifying the amount of tonnage
10 which he considers should be ordered from
11 Australian yards. If the shipping companies do
12 not agree, the matter may, as in the cases
13 mentioned previously, be referred to the
14 independent authority for determination.

15 For purposes of determining matters
16 connected with shipbuilding, it is provided that
17 the independent authority shall be the
18 Australian Tariff Board. It is felt that this
19 Board, which has only recently completed a
20 thorough investigation into the Australian
21 Shipbuilding Industry and which will be making
22 further investigations from time to time, is
23 the most appropriate body to deal with matters
24 of this nature. The Tariff Board having made
25 a determination, the shipping companies have
26 up to 6 months to take such steps as may be
27 practicable to place orders, for the amount
28 of tonnage determined, with Australian ship-
29 yards. If they do not do so or order less than
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1 the tonnage determined, the Minister may
2 authorise the Commission to order tonnage to
3 make up the deficiency. Once again, the tonnage
4 which the Commission is authorised to operate
5 will be increased by the amount of tonnage
6 so ordered. The Minister will thus be able to
7 ensure at all times that Australian yards
8 have sufficient and regular orders.
9

10 There are two further important provisions
11 in the Agreement to which I would draw the
12 attention of the Senate.

13 It is provided that the Commission shall
14 pursue a policy directed towards securing
15 revenue sufficient to meet all expenses and to
16 permit it to pay to the Commonwealth a reasonable
17 return on its capital and the Minister
18 administering the affairs of the Commission is
19 required, in exercising his powers under the
20 Act, to have regard to the policy which the
21 Commission is required to pursue. This provision
22 has two effects. It requires the Commission
23 to manage its affairs in a business-like manner
24 and to endeavor to show reasonable profits in
25 the same way as any other trading organisation
26 is expected to do and, on the other hand it
27 prevents the Commission or the Minister from
28 charging rates of freight which are uneconomical
29 and which would not only re-act to the serious
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detriment of the private shipping companies but which would also impose a burden on the Australian tax-payers in that any losses which the Commission might thereby suffer would ultimately fall on their shoulders.

I stated earlier in my remarks that one of the objectives of the Government in subscribing to this Agreement was to ensure that no companies were placed in a monopolistic position. To give further point to this objective, the Agreement provides that it is open to any company engaged in shipping or stevedoring operations to apply to the Minister to become a party to the Agreement and the Minister is empowered to accept such applicants. It should be noted particularly that the consent of the original signatories is not necessary before the Minister accepts a firm which wishes to be joined as a party. Thus it is open to any shipping or stevedoring company which now or in the future may wish to do so to be joined as a party and to undertake the obligations and secure the benefits resulting therefrom.

It should be further noted that the Commission is under no obligation to use any particular one or more of the signatory companies to carry out stevedoring or the booking or handling of cargo on its vessels.



1
2 It may use any companies signatory to the
3 Agreement and in certain circumstances companies
4 outside the Agreement.

5 It may be expected that there will be
6 some competition among the companies concerned
7 to perform these services for the Commission
8 and thus it may be anticipated that the Commission
9 will have the services done for it at reasonable
10 rates and in an efficient manner.

11 Honorable Senators will observe that
12 the Agreement has been signed by fifteen
13 companies. These include two companies engaged
14 in stevedoring exclusively, and all of the more
15 important Australian shipping companies,
16 some of which are also engaged in stevedoring
17 operations. It has not been possible for me to
18 discuss the matter with all of the companies
19 likely to be interested, but I have no doubt
20 all of those companies who have been engaged in
21 the stevedoring and booking of cargo in
22 Commonwealth ships and possibly other companies
23 who may be interested in doing so, will in due
24 course make application to be joined as parties
25 to the Agreement. They have to-day all been
26 posted an invitation to become parties to the
27 Agreement.

28 The Bill itself is simple and mercifully
29 brief. It seeks the approval of the Parliament
30



1 to the Agreement, which has a currency of
2 twenty years from the proclamation of the
3 Act, and provides that the Commission shall do
4 those things which it is required under the
5 Agreement to do, and will refrain from doing
6 anything contrary to the terms of the Agreement.

7 It also empowers the Tariff Board to
8 perform the functions of the independent
9 authority in relation to shipbuilding matters.
10 This is necessary because under the Tariff Board
11 Act, the Board does not have the power to
12 perform such a function.

13 The Government believes that this
14 Bill and the Agreement, in conjunction with
15 the Bill setting up the Australian Coastal
16 Shipping Commission provide the opportunity of
17 improved shipping services on the Australian
18 coast. The Commonwealth ships will be continued
19 in operation and will continue to play their
20 due part in providing shipping services on the
21 coast. The position of the private companies
22 is also protected, and they are afforded the
23 opportunity, if they so wish, to expand their
24 services as the demand for shipping services
25 grows with the general expansion of Australia.
26 The interests of the community are fully safe-
27 guarded in that if the shipping companies in
28 any way fail to respond, it will be open to the
29
30



1
2 Commission to meet any deficiencies. The
3 Government is confident that the Commission and
4 the private companies will each play their due
5 part to the benefit of the Australian coastal
6 trade, the shipbuilding industry and the people
7 of Australia.

8 I commend the Bill to Honorable Senators.
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Canada. Coasting Trade, Royal Commission on
Exhibits,
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CANADA STEAMSHIP LINES UPPER LAKER

"THUNDER BAY" CLASS (18,790 TONS T.W.H.)

APPROXIMATE 1955 BUILDING COST.

U.K. BUILT - \$3,065,000 - "B"
CANADIAN BUILT - \$4,600,000 - "A"

WHILE THE "THUNDER BAY" IS NOT THE
LARGEST CANADIAN UPPER LAKER IT IS ONLY
THREE YEARS OLD AND THERE ARE ONLY
FOUR LARGER VESSELS.
THE AVERAGE UPPER LAKER IS SMALLER AND
LESS EFFICIENT.

GENERAL PARTICULARS

LENGTH S.P. = 697'3"

BEAM = 67'0"

DEPTH = 35'0"

DRAUGHT = 14'4" MAX

REGISTERED TONNAGE = 4000

GROSS TONNAGE = 855

NET TONNAGE = 823,000 CUBIC FEET TOTAL

621,000 CUBIC FEET

= 623,000 CUBIC FEET

18,000 TONS AT 22'9" DRAUGHT (16,700 TONS)

18,000 TONS

23'9" DRAUGHT WITH 15 DAYS FUEL

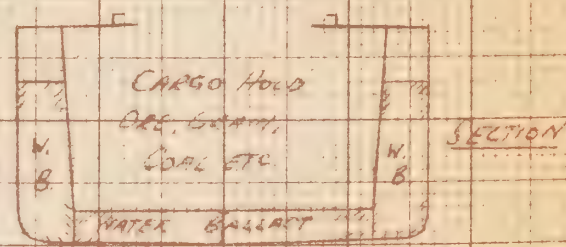
38.0 TONS PER DAY

BOILER OIL

\$800.0 PER DAY

9.0 TON PER DAY

\$201.0 PER DAY



[Signature]

Geo. Doc
Can
Com

DESIGN CHARACTERISTIC SHEET No 2

CONFIRMATIVE 1st E "C"

11,000 TON D.W (AT 26'6") GENERAL TRAMP

AS DESCRIBED IN E.C.A CORLETT'S PAPER "DESIGN OF ECONOMIC TRAMP SHIP"
READ INSTITUTION NAVAL ARCHITECTS OCT 21st 1955.

PRINCIPAL PARTICULARS

LENGTH O.P. = 445'
BEAM = 62'
DEPTH UPPER DECK = 30.75'
SHELTER DECK = 39.75'
SPEED = 12 1/2 KNOTS AT 25'6"
= 14.4 MPH
SHAFT HORSE POWER = 3,600
BLOCK COEFF. = .75
CUBIC CAPACITY = 740,000 C.F.T. TOTAL

= 592,000 BUSHELS TOTAL
350,000 BUSHELS WHEAT AT 25'6" F.W.

CARGO DEAD HEIGHT = 9,400 TONS AT 25'6" F.W. (15 DAYS FUEL)
10,000 TONS AT 26'6" S.W. (40 DAYS FUEL)
12,600 TONS AT 30'8" S.W. (40 DAYS FUEL)

FUEL CONSUMPTION RUNNING = 14.0 TONS PER DAY
DIESEL OIL
= \$ 590 PER DAY
IN PORT = 3.0 TONS PER DAY
= \$ 126 PER DAY

OPEN AND CLOSED SHELTER
DECKER.

APPROXIMATE 1955 BUILDING COST

U.K. BUILT = £ 930,000
= \$ 2,600,000 = "C"

CANADIAN BUILT = \$ 3,900,000 AT 150% U.K. PRICE

VESSEL IS GENERAL PURPOSE TRAMP AND
COULD CARRY GENERAL FREIGHT, GRAIN, COALS, ETC.
ALSO ORE IF REQUIRED.

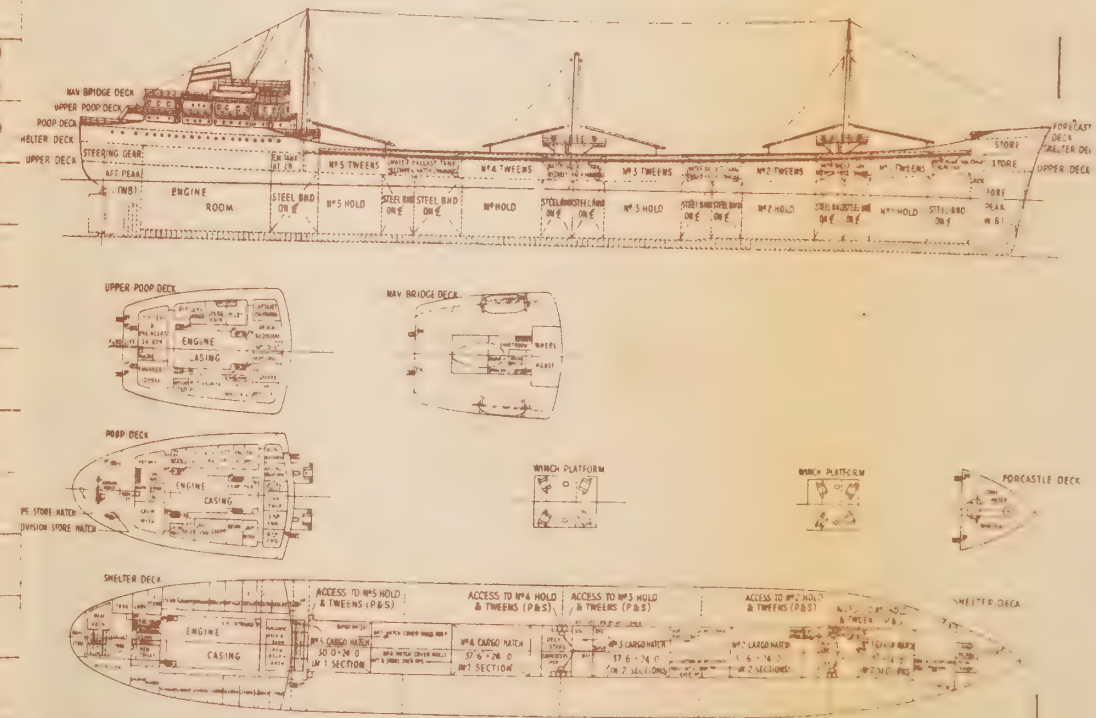


FIG. 11.—11,000-TON DEADWEIGHT SLOW CARGO TRAMP SHIP. GENERAL ARRANGEMENT

DESIGN CHARACTERISTIC SHEET No 3

General Design, Royal Commission

COMPARATIVE VESSEL "D"

13,700 TON D.W. (AT 26'6") GENERAL TRAMP

WORKED UP FROM DETAILS 11,000 TON D.W. VESSEL. ALL PROPORTIONS AND SHIP ACCOMMODATION EXACTLY SIMILAR. DEPTH INCREASED TO 44 FT.

PRINCIPAL PARTICULARS

LENGTH 425'

BEAM 68'5"

DEPTH OVER DECK 35'

DEPTH 44'

SPEED = 12.2 KNOTS AT 25% S.W.

= 14.4 KNOTS

HARTMAN POWER = 4000 HP

BLOCK COEFF = .76

CUBIC CAPACITY = 1,000,000 C.F.T. TOTAL
800,000 BUSHELS

CARGO CAPACITY = 440,000 BUSHELS WHEAT AT 25'6" S.W.

11,800 TONS AT 25'6" S.W. (15 DAYS AUEL)

= 12,700 TONS AT 26'6" S.W. (40 DAYS AUEL)

= 17,450 TONS AT 33'0" S.W. (40 DAYS AUEL)

FUEL CONSUMPTION RUNNING = 15.5 TONS PER DAY STEEL OIL

8.650 PER DAY

IN PORT = 3.5 TONS PER DAY

8.147 PER DAY

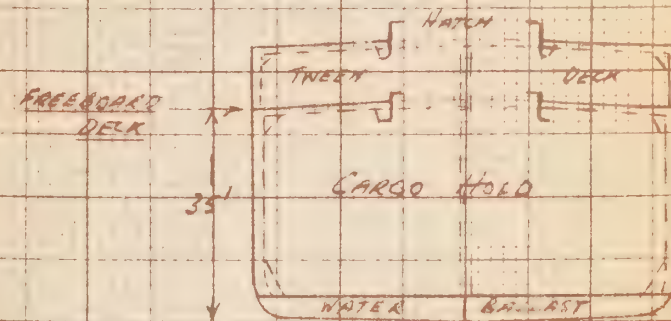
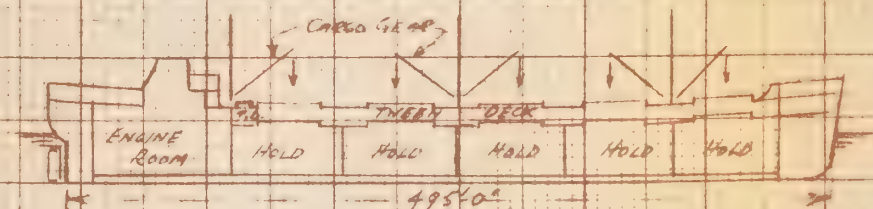
APPROXIMATE 1955 BUILDING COST

U.K. BUILT = \$ 3,170,000 = "D"

CANADIAN BUILT = \$ 4,750,000

VESSEL IS GENERAL PURPOSE TRAMP AND COULD CARRY GENERAL FREIGHT, GRAIN, COAL ETC., ALSO ORE IF REQUIRED.

OPEN AND CLOSED SHELTER DECK



SECTION

Geo. Doe

Can

Com

C

J. J. J.

DESIGN CHARACTERISTIC SHEET No 4

Exhibits V. 4

COMPARATIVE VESSEL "E"

20,000 TON D.W. (AT 26'-6") GENERAL CARGO VESSEL

SIMILAR TYPE TO CORLETT'S, SAME DEPTH AS VESSEL "D" BUT WITH MAXIMUM CORRESPONDING DIMENSIONS AND PERMANENTLY CLOSED SHELTER DECK.

APPROXIMATE 1955 BUILDING COST

U.K. BUILT - \$4,100,000 "E"
CANADIAN BUILT - \$6,150,000

PRINCIPAL PARTICULARS

LENGTH B.P. = 640'

BEAM = 73'

DEPTH SHELTER DECK = 44'

SPEED = 12 1/2 KNOTS AT 25'-6"
= 14.4 M.P.H.

SHAFT HORSE POWER = 4,750

BLOCK COEFF = .79

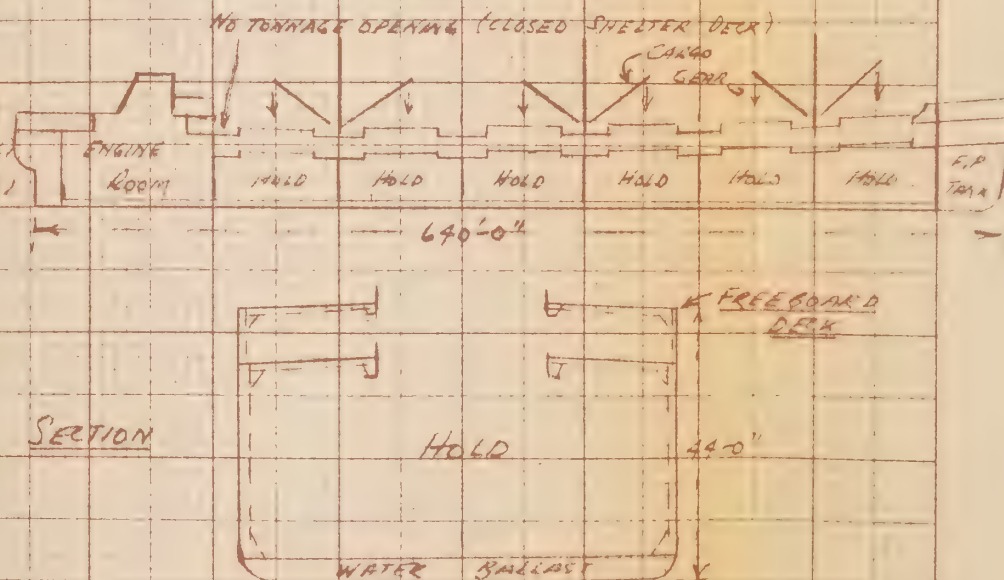
CUBIC CAPACITY = 1,350,000 CU. FT. TOTAL
= 1,080,000 BUSHEL.
= 650,000 BUSHEL. AT 26'-6" D.W.

CARGO DECK HEIGHT = 17.450 TONS AT 25'-6" F.W. (15 DAYS FUEL)
18,900 TONS AT 26'-6" S.W. (40 DAYS FUEL)
24,150 TONS AT 31'-6" S.W. (40 DAYS FUEL)

FUEL CONSUMPTION RUNNING 18.5 TONS PER DAY
DIESEL OIL
= \$ 780 PER DAY
IN PORT = 4.0 TONS PER DAY
= \$ 168 PER DAY

VESSEL IS CONSIDERED TO BE THE LARGEST
GENERAL PURPOSE TYPE VESSEL LIKELY TO USE
SEAWAY.

CAN CARRY GENERAL FREIGHT, GRAIN, COAL ETC. ALSO
OCCASIONAL ORE.



SECTION

Planning

DESIGN CHARACTERISTIC SHEET No 5, Exhibit-VII COMPARTMENTAL

DUAL PURPOSE VESSEL (GRAIN OR OIL)

OF LARGEST SIZE LIKELY TO USE SEAWAY

Approximate 75% complete for

U. K. ERM - 75 700 000

CANADIAN BUILT - \$6,450.00

PRINCIPAL FACTORS

LENGTH B.P. = 540-0"

$$\text{BENM} = 7340''$$

DEPTH = 4710"

SPEED = 12 1/2 KNOTS

14-3 M, 14-4

SHAFT HORSE POWER 4.750

Book 13457 = 79

CUBIC CAPACITY = 1200,000 CFT

= 960,000 Exports

= 635,000 POUNDS WEIGHT AT 25-6"

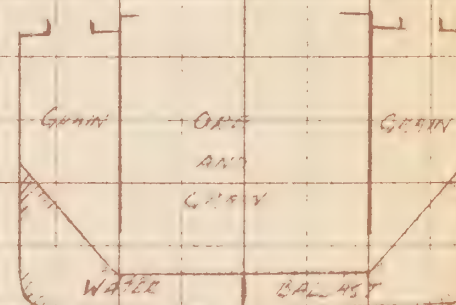
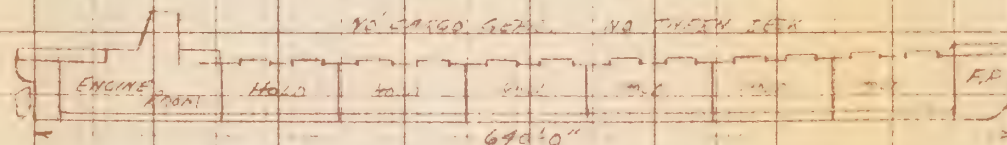
CHARGO DEADWEIGHT = 12,050 TONS AT 25'-6" FUL (15 DAYS FULL)

CARGO DEAD WEIGHT = 23,700 TONS AT 31¹/₂' S.W. (400 YDS. AHEAD)

= 900,000 BURNING (AUGUST 1944 - 1945)

Peak Consumption Pumping = 780 PER DAY

IN PORT = \$168 PER DAY



Section

Gov. Lee

Corin

Cam

2

Canada Coasting Trade, Royal Commission on
DESIGN CHARACTERISTIC SHEET No 6 *Exhibit 1.4* COMPARATIVE VESSEL "G"
DUAL PURPOSE VESSEL (ORE OR OIL)
OF LARGEST SIZE LIKELY TO USE SEAWAY.

PRINCIPAL PARTICULARS

LENGTH B.P. = 640'-0"
BEAM = 73'-0"
DEPTH = 44'-0"
SPEED = 12½ KNOTS
14.4 MPH.

SHAFT HORSE POWER = 4750

BLOCK COEFF. = .79

CUBIC CAPACITY ORE = 330,000 C.F.T

OIL = 900,000 C.F.T

CARGO DEADWEIGHT AT 25'6" SW = 16,700 TONS ORE
OR OIL (15 DAYS FUEL)

AT 26'0" SW = 17,600 TONS (ORE
HOLDS FULL)

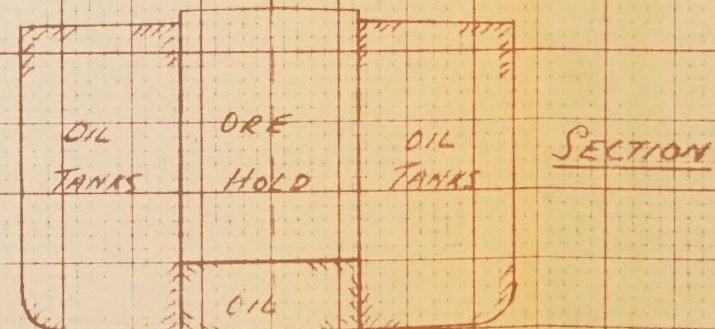
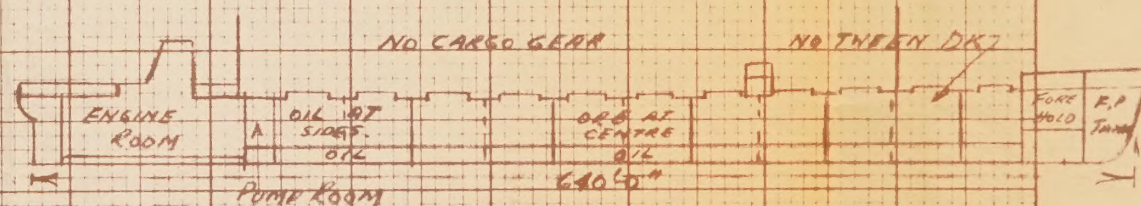
AT 30'6" SW = 22,500 TONS (OIL
TANKS FULL)

FUEL CONSUMPTION RUNNING = \$780 PER DAY
IN PORT = \$168 PER DAY

APPROXIMATE 1955 BUILDING COST

U.K. BUILT = \$4,400,000

CANADIAN BUILT = \$6,600,000



Gov. Sec
Can
Com
C

Gov. Gen.
Can.
Com.
C

THE COST OF A CARGO SHIP

AN ANALYSIS OF THE APPROXIMATE COST OF BUILDING A MODERN MOTORSHIP

TO PROVIDE some indication of the current level of ship-building costs in the United Kingdom, THE SHIPPING WORLD has prepared the accompanying analysis of the cost of building a modern open shelterdeck cargo motorship of about 10,000 tons d.w. These analyses are published at six-monthly intervals, the last one appearing on January 12. It must be stressed, however, that THE SHIPPING WORLD analysis of shipbuilding costs can only act as a barometer to the industry, since actual costs will depend on the varying practice of each shipyard and engineering shop, as well as on the individual requirements of shipowners in their designs and specifications. As an approximate indication this analysis may have some value, but it does not pretend to meet the purpose served by an actual quotation by a shipbuilder or shipbroker for new tonnage.

The vessel considered is typical of modern practice in that it is a single-screw open shelterdeck motorship of some 10,000 tons deadweight, and the type of ship considered is as described in the following tables and notes.

TABLE I—PRINCIPAL SHIP PARTICULARS

Length b.p. ...	435 ft.
Breadth moulded ...	60 ft.
Depth moulded to upper deck ...	39 ft.
Deadweight ...	10,000 tons
Draught ...	26 ft. 6 in.
Gross tonnage (about) ...	5,900 tons
Net tonnage (about) ...	3,500 tons

Machinery:

Single-screw modern type of diesel engine of about 4,500 b.h.p. at 115 to 120 r.p.m., service speed 13½ knots.

Auxiliary machinery steam driven from two cylindrical multi-tubular Scotch boilers with exhaust and/or oil firing, producing steam at 120 lb. per sq. in.

Table II shows the analysis prepared for June 1954, a year ago. The comparable position figures for June 1955 are given in Table III, but it is necessary to note that the 1954 figures did not take into consideration the increase of 15s. per ton in the price of steel which came into effect during that month. This additional cost is, of course, allowed for in Table III. Comparison of the two tables shows that in the last year the total building cost of a ship of this type is estimated to have increased by about £44,500, or just about 6 per cent. Of the increase in the total cost materials account for about £21,500 and labour for about £14,000. Charges under item 4 have shown the largest individual increase.

In Tables II and III the total cost has been subdivided into five main items as follows:

Group 1. This item includes the cost of all steelwork based on a total weight of steel and forgings and castings of 3,300 tons, but the item also includes about 30 tons of smith work and davits. The design of ship for which this weight of steel is included is of the normal open shelterdeck type, with a long forecastle and a raked stem and cruiser stern. There is a double bottom fore and aft for the carriage of oil fuel, water ballast and fresh water. There are five cargo holds and tweendecks, with a deep tank for the alternative carriage of cargo or water ballast.

A steel centreline bulkhead is fitted in the holds and tweendecks clear of the hatchways. The tank top is increased in thickness in way of the hatchways in lieu of

wood ceiling. The vessel has large hatchways with roller hatch beams on all decks and wooden hatch covers in slab form. The vessel is to Lloyd's Register 100 A1 classification.

Group 2. The deck auxiliaries are all steam driven, including the winches, and steam hydraulic steering gear. The domestic refrigerated stores have a cold store capacity of 2,000 cu. ft., the plant being of the methyl chloride-freon type.

Group 3. The vessel has a comprehensive system of cargo handling which includes one 50-tons heavy lift derrick, one 20-tons derrick and ten 10-tons derricks at the main hatchways. Included in the price are ten 8 in. by 12 in. totally enclosed steam winches and one 8 in. by 12 in. warping winch. The cost includes the provision of all normal piping and all accommodation fitted entirely amidships, with the crew in two-berth cabins, the crew and petty officers being berthed in the shelter tweendecks.

Group 4. The cost of the main and auxiliary machinery in the engineroom includes the provision of a modern type of marine diesel engine of 4,500 b.h.p. at 115 to 120 r.p.m. and two cylindrical multi-tubular boilers with exhaust or oil firing. The price also includes two 35-kW, 220-volts D.C. steam generators and one 31-kW emergency diesel generator, as well as the normal pumps for such a vessel.

Group 5. Includes the cost of insurance during building, classification fees and all overhead charges including allowances for holidays, national insurances, foreman and yard management, the provisions of power, light and fuel, establishment charges and a profit margin.

THE June issue of *The Technical Journal of The Brush Group* contains for the first time summaries in French and Spanish of the principal articles. The summaries have been included in every copy of the journal sent overseas. The current issue is devoted almost entirely to marine subjects, in which the group has a considerable interest.

THE latest in the series of overseas economic surveys published by the Board of Trade deals with economic and commercial conditions in Pakistan (H.M. Stationery Office, price 10s. net). In the section covering transport and communications, the survey states that at the time of partition Pakistan had only two local companies operating one vessel each, with a total of 9,877 tons d.w., but at the time of the survey (May 1954) there were eight national shipping concerns, owning a total of 140,502 tons gross, although most of this tonnage was engaged in the coastal trade.

A BOOKLET, prepared by Gerald Hart, has been issued by the Timber Development Association, Ltd., on the *Timbers of South East Asia*. A companion volume to *Timbers of West Africa* and *Timbers of South America*, the publication contains descriptions of some 40 timbers of interest in the British market, together with notes on their uses, properties and working qualities. The timbers are arranged in alphabetical order of standard names, in accordance with the B.S. Nomenclature of Commercial Timbers. Copies of the booklet can be obtained free of charge from the Timber Development Association.

TABLE II—ANALYSIS OF CONSTRUCTION COST
June 1954

Item No.	Item	Material cost (£)	Labour cost (£)	Total cost (£)	Per cent
1.	Steelwork, forgings, castings, smith work, davits, etc.	115,500	57,300	172,800	24.5
2.	Deck machinery and equipment including domestic refrigerating machinery	66,475	6,375	72,850	10.3
3.	Ship outfitting, including piping, cargo handling machinery, accommodation, decking, plans, painting, etc.	43,250	46,700	89,950	12.8
4.	Main and auxiliary machinery in engineroom including generators and wiring	157,500	69,800	227,300	32.2
5.	Overhead charges, insurances, classification fees, holidays, profit margin, etc.	—	—	143,000	20.2
		£382,725	£180,175	£705,900	100.0

TABLE III—ANALYSIS OF CONSTRUCTION COST
June 1955

Item No.	Item	Material cost (£)	Labour cost (£)	Total cost (£)	Per cent
1.	Steelwork, forgings, castings, smith work, davits, etc.	119,275	61,810	181,085	24.14
2.	Deck machinery and equipment including domestic refrigerating machinery	70,095	6,775	76,870	10.24
3.	Ship outfitting, including piping, cargo handling machinery, accommodation, decking, plans, painting, etc.	44,710	49,925	94,635	12.61
4.	Main and auxiliary machinery in engineroom including generators and wiring	170,130	75,755	245,885	32.76
5.	Overhead charges, insurances, classification fees, holidays, profit margin, etc.	—	—	151,960	20.5
		£404,210	£194,265	£750,435	100.0

VESSELS OPERATING HEAD OF LAKES TO KINGSTON

BASIC SHIP PARTICULARS AND WHEAT CARRIED IN ONE SUMMER SEASON OF 230 DAYS

VESSEL IDENTITY LETTER	DESCRIPTION OF SHIP	SPEED M. H.	BUSHEL CAPACITY AT 25'-6" DEPT	ROUND TRIP MILES	VOYAGE TIME				TRIP PER SEASON	BUSHELS PER SEASON	TONS WHEAT PER TRIP	TONS PER SEASON	TON-MILES PER SEASON
					LOADING	UNLOADING	NET TO TIME	ROUND TRIP PER (HRS 57)					
A	UPPER LAKER "THUNDER BAY CLARE" 647'3" x 67'0" x 35'0"	14.4	623,000	2068	171.6	49.6	216	242.8	254.9	21.7	13,520,000	16,700	374,711,000
B	DO	14.4	623,000	2068	171.6	49.6	216	242.8	254.9	21.7	13,520,000	16,700	374,711,000
C	OPEN + CLOSED SHELTER DR TRAMP 445'0" x 62'0" x 39'0"	14.4	350,000	2068	171.6	38.8	18.4	218.8	225.5	24.5	8,580,000	9,900	237,610,000
D	OPEN + CLOSED SHELTER DR TRAMP 495'0" x 68'6" x 44'0"	14.4	440,000	2068	171.6	42.0	18.1	221.7	243.3	22.7	9,990,000	11,800	276,967,000
E	CLOSED SHELTER DR TRAMP 640'0" x 73'0" x 49'0"	14.4	650,000	2068	171.6	50.2	29.8	246.6	258.9	21.3	13,850,000	17,480	394,322,000
F	DUAL PURPOSE ORE/OIL 640'0" x 73'0" x 44'0"	14.4	635,000	2068	171.6	49.8	21.8	243.2	255.4	21.6	13,720,000	17,050	380,802,000
G	DUAL PURPOSE ORE/OIL 640'0" x 73'0" x 44'0"	14.4									NOT SUITABLE FOR WHEAT		

WHEAT

COMPARATIVE OPERATING EXPENSES.

VESSEL IDENTITY LETTER	DESCRIPTION OF SHIP	WHERE BUILT	1955 CONSTRUCTION COST \$	FLAG	CEN	VARIABLE EXPENSES							TOTAL VARIABLE EXPENSES \$	FIXED EXPENSES			TOTAL OPERATING EXPENSES \$	
						WAGES \$	FUEL \$	PROVISIONS \$	REPAIRS AND MAINT \$	SUPPLIES AND OTHER CHARGES \$	OVERHEAD \$	INSURANCE \$		FIT OUT LAT UP \$	DEPRECIATION \$	INTEREST AT 2 1/2% \$		TOTAL FIXED EXPENSES \$
A	UPPER LAKER "THUNDER BAY CLARE" 647'3" x 67'0" x 35'0"	CAN	4,600,000	CAN	31													695,200
B	DO	U.K	3,065,000	U.K	31													514,070
C	OPEN + CLOSED SHELTER DR TRAMP 445'0" x 62'0" x 39'0"	U.K	2,600,000	U.K	36	38,400	100,500	4,700	21,000	17,000	19,200	35,900	244,700	-	81,900	41,100	113,000	349,700
D	OPEN + CLOSED SHELTER DR TRAMP 495'0" x 68'6" x 44'0"	U.K	3,170,000	U.K	36	48,400	105,200	14,700	25,600	21,300	29,500	43,700	269,400	-	99,900	50,200	150,100	419,500
E	CLOSED SHELTER DR TRAMP 640'0" x 73'0" x 49'0"	U.K	4,100,000	U.K	36	41,000	120,100	14,700	33,000	27,800	23,700	56,600	316,900	-	129,200	64,900	194,100	511,000
F	DUAL PURPOSE SEMI/ORE 640'0" x 73'0" x 44'0"	U.K	4,300,000	U.K	36	41,000	121,300	14,700	34,700	27,800	24,000	59,300	322,800	-	135,500	68,000	203,500	526,300
G	DUAL PURPOSE OIL/ORE 640'0" x 73'0" x 44'0"	U.K	4,400,000	U.K	36	NOT SUITABLE FOR WHEAT												

COMPARATIVE EXPENSES VERSUS INCOME AND COSTS PER TON & PER TON-MILE

VESSEL IDENTITY LETTER	DESCRIPTION OF SHIP	BUILT AND REGISTRY	TOTAL BUSHELS CARRIED	HANDLING EXPENSES \$	OPERATING EXPENSES \$	TOTAL EXPENSES "HANDLING" \$	COST PER BUSHEL	TOTAL TONS CARRIED	COST PER TON	TON-MILES PER SEASON	COST PER TON-MILE	INCOME AT 7 CENTS PER BUSHEL \$	PROFIT BEFORE TAXES AT 7 CTS.
A	UPPER LAKER "THUNDER BAY CLARE" 647'3" x 67'0" x 35'0"	CAN	13,520,000	135,200	695,200	830,400	6.15 CTS	362,400	2.29	374,711,000	.122 CTS	946,400	116,000
B	DO	U.K.	13,520,000	135,200	514,070	649,270	4.80 CTS	362,400	1.79	374,711,000	.113 CTS	946,400	297,300
C	OPEN + CLOSED SHELTER DR TRAMP 445'0" x 62'0" x 39'0"	U.K.	8,580,000	95,800	349,700	445,500	5.31 CTS	229,800	1.98	237,610,000	.192 CTS	600,600	145,100
D	OPEN + CLOSED SHELTER DR TRAMP 495'0" x 68'6" x 44'0"	U.K.	9,990,000	99,900	419,500	519,400	5.19 CTS	269,400	1.94	276,967,000	.187 CTS	699,300	179,900
E	CLOSED SHELTER DR TRAMP 640'0" x 73'0" x 49'0"	U.K.	13,850,000	138,500	511,000	649,500	5.68 CTS	371,700	1.75	384,322,000	.169 CTS	969,500	320,000
F	DUAL PURPOSE ORE/OIL 640'0" x 73'0" x 44'0"	U.K.	13,720,000	137,200	526,300	663,500	4.84 CTS	368,300	1.80	380,802,000	.175 CTS	960,400	296,900
G	DUAL PURPOSE OIL/ORE 640'0" x 73'0" x 44'0"	U.K.						NOT SUITABLE FOR WHEAT					

NOTE: VESSELS "C"-"D"-"E"-"F" & "G" CAN ALL OPERATE OUTSIDE THE LAKES DURING WINTER MONTHS AT CONSIDERABLY INCREASED DEADWEIGHTS (SEE DESIGN CHARACTERISTIC SHEETS.)

THE ABOVE DATA HAS BEEN PREPARED AT THE REQUEST OF THE ROYAL COMMISSION ON THE CANADIAN COASTING TRADE.

EXHIBIT NO 200 —

R. Fox, Dec 1, 1955

VESSELS OPERATING SEVEN ISLANDS TO HAMILTON.

ORE CARRIED IN ONE SUMMER SEASON OF 210 DAYS

ORE CAPACITY LONG TONS AT 25'-6" DEPT	ROUND TRIP MILES	VOYAGE TIME				ROUND TRIP HOURS PER SEASON	TONS CARRIED PER SEASON	TON-MILES PER SEASON	
		LOADING	UNLOADING	NET TOTAL	NET TOTAL				
18,000	1708	143.4	6.0	249.0	173.4	182.1	27.8	501,000	427,954,000
18,000	1708	143.4	6.0	249.0	173.4	182.1	27.8	501,000	427,954,000
9,400	1708	143.4	3.1	206.0	167.0	175.4	26.7	269,000	239,736,000
11,800	1708	143.4	3.9	238.8	171.1	179.7	28.1	332,000	283,528,000
17,450	1708	143.4	5.8	234.0	182.6	191.7	26.3	459,000	391,986,000
17,050	1708	143.4	5.7	227.0	171.8	180.4	28.0	477,000	407,358,000
16,700	1708	143.4	5.6	223.0	171.3	179.9	28.0	468,000	399,672,000

ORE

COMPARATIVE OPERATING EXPENSES.

VARIABLE EXPENSES							TOTAL	FIXED EXPENSES			TOTAL	TOTAL
WAGES	FUEL	PROVISIONS	REPAIRS + MAINTENANCE	SUPPLIES AND OTHER CHARGES	OVERHEAD	INSURANCE	VARIABLE EXPENSES	FIT OUT + LAT UP	DEPRECIATION	INTEREST AT 2 1/2%	FIXED EXPENSES	OPERATING EXPENSES
\$	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$
												667,170
												492,970
35,100	82,400	13,200	21,000	15,500	16,700	82,900	216,700	-	74,900	37,400	112,300	329,000
35,100	94,000	13,200	25,600	19,500	18,700	89,900	246,000	-	91,300	45,700	137,000	383,000
37,500	107,600	13,200	33,000	25,400	21,700	51,700	290,100	-	118,000	59,200	177,300	467,400
37,500	110,500	13,200	34,700	25,400	22,100	54,200	297,600	-	123,900	62,000	185,800	483,400
37,500	116,200	13,200	35,400	25,400	22,800	55,400	305,900	-	126,700	63,500	190,200	496,100

COMPARATIVE COSTS PER TON & PER TON-MILE

VESSEL IDENTITY LETTER	TOTAL TONS CARRIED	TOTAL OPERATING EXPENSES \$	COST PER TON \$	TON-MILES PER SEASON	COST PER TON-MILE
A	501,000	467,170	1.33	427,954,000	.156 CTS
B	501,000	492,970	.98	427,954,000	.115 CTS
C	269,000	329,000	1.22	239,736,000	.143 CTS
D	332,000	383,000	1.15	283,528,000	.135 CTS
E	459,000	467,400	1.02	391,986,000	.119 CTS
F	477,000	483,400	1.01	407,358,000	.119 CTS
G	468,000	496,100	1.06	399,672,000	.124 CTS

* THESE COSTS WILL REQUIRE TO BE INCREASED TO TAKE CARE OF SEAWAY TOLLS.

